



AGENDA OF THE CITY COUNCIL AND THE COUNCIL SITTING AS THE REDEVELOPMENT AGENCY

**REGULAR CC/RDA MEETING
Council Chamber in City Hall
68-700 Avenida Lalo Guerrero
Cathedral City, CA 92234**

WEDNESDAY, SEPTEMBER 26, 2001

**Study Session - 3:00 p.m.
Regular Meeting - 7:30 p.m.**

PLEASE NOTE: THE CITY HAS IN EFFECT AN ORDINANCE REGARDING LOBBYING THAT REQUIRES PERSONS BEING PAID TO MAKE A PRESENTATION ON BEHALF OF SOMEONE OTHER THAN THEMSELVES TO DISCLOSE THAT FACT AT THE TIME OF THEIR PRESENTATION, AND, IN SOME INSTANCES, TO REGISTER WITH THE CITY CLERK PRIOR TO APPEARING BEFORE THE CITY COUNCIL, PLANNING COMMISSION OR CITY STAFF.

3:00 P.M.

CALL TO ORDER

- a) Roll Call of City Council/RDA Member(s)
- b) Action to Excuse Absent City Council/RDA Member(s)

COUNCIL WILL ADJOURN TO THE STUDY SESSION ROOM ON THE FIRST FLOOR OF CITY HALL TO CONSIDER THE CLOSED SESSION AGENDA ITEMS.

4:00 P.M.


COUNCIL WILL RECONVENE IN COUNCIL CHAMBER TO CONTINUE STUDY SESSION AGENDA REVIEW.

PUBLIC COMMENTS

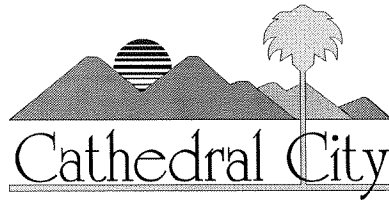
If any person desires to address members of the City Council and/or the Redevelopment Agency Board, this will be the **only opportunity to do so during this Study Session**. Please limit your remarks to 3 minutes. In response to any public comment on an item or matter which **has not been placed on this Agenda** pursuant to Government Code Section 54954.2, members of the City Council/Redevelopment Agency Board may only: **1)** briefly respond to statements made or questions posed by the public; **2)** ask a question for clarification; **3)** make a brief report on his or her own activities; **4)** provide a reference to staff or other resources for factual information; **5)** request staff to report back to the City Council at a subsequent meeting concerning any matter raised by the public; or, **6)** take action to direct staff to place a matter of business on a future Agenda. (California Government Code Section 54954)

STUDY SESSION (Normally, No Action Is Taken On Study Session Items; However, The City Council Does Reserve The Right To Give Specific Policy Direction And To Take Specific Action As Necessary.)

Presentations will be limited to 10 minutes unless other provisions are made in advance.

1. Introduction of New Personnel:
 -  Police Department - Police Chief Stan Henry
 - Jaime Frias, Public Safety Dispatcher
 - Ernesto Vasquez, Police Officer
2. Update of the Mosquito and Vector Control Board by Paul Marchand, Cathedral City's representative to the Board.
3. Presentation regarding the proposed alternative for the Draft Multi-Species Habitat Conservation Plan. (Jim Sullivan, CVAG; Bill Havert, CV Mountains Conservancy - 4:30PM) (Cynthia Kinser)
4. Councilmember Reports of Committee Meetings.
5. Review of September 26, 2001, City Council/Redevelopment Agency Board Agendas.
6. City Council/Staff Reports and Inquiries Regarding Status of New or Ongoing Projects.
7. Closed Session Urgency Items.

CC/RDA WILL ADJOURN TO CLOSED SESSION



CLOSED SESSION

**AGENDA OF THE CITY COUNCIL AND THE COUNCIL
SITTING AS THE REDEVELOPMENT AGENCY**

**REGULAR CC/RDA MEETING
WEDNESDAY, SEPTEMBER 26, 2001**

1. CONFERENCE WITH LEGAL COUNSEL REGARDING POTENTIAL LITIGATION pursuant to government Code Section 54956.9 subd. (c).
Number of Potential Cases: Two
2. CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION pursuant to Government Code Section 54956.9, subd. (a).
Case Name: Case name is unspecified since disclosure would jeopardize existing settlement negotiations.
3. CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION pursuant to Government Code Section 54956.9, subd. (a).
Case Name: Wilkins v. Big League Dreams Sports Park (Cathedral City)
Case Number: INC 021042
4. CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION pursuant to Government Code Section 54956.9, subd. (a).
Case Name: City of Cathedral City v. Jack D. Janofsky, et al.
Case Number: CIV079585
5. CONFERENCE WITH LEGAL COUNSEL REGARDING EXISTING LITIGATION pursuant to Government Code Section 54956.9, subd. (a).
Case Name: City of Cathedral City v. Jack D. Janofsky, et al.
Case Number: INC 019283

**CC/RDA MEETING
SEPTEMBER 26, 2001
PAGE 2**

6. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8. (Paul Shillcock)
Properties:
Location: Various Parcels South of East Palm Canyon Drive Between Date Palm and Van Fleet APN Nos.: 687-222-004; 687-224-007; 687-225-011; 687-225-017; and 687-221-001
Negotiating Parties:
Agencies: Redevelopment Agency and BCN Development
Property Owner: Redevelopment Agency
Under Negotiation: Disposition of Property
7. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code section 54956.8 (Paul Shillcock/Tony Barton)
Property:
Location: North of 30th Avenue and East of Date Palm Drive: APN Nos. 670-372-008 through -016; 670-373-008 through -036; and 670-060-025.
Negotiating Parties:
Agencies: City of Cathedral City & The Berger Foundation
Property Owner: Berger Foundation
Under Negotiation: Acquisition of Property
8. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code section 54956.8 (Paul Shillcock/Tony Barton)
Property:
Location: Northeast Corner of 30th Avenue and DaVall Drive
Negotiating Parties:
Agencies: City of Cathedral City & Palm Springs Cemetery District
Property Owner: Palm Springs Cemetery District
Under Negotiation: Acquisition of Property
9. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code section 54956.8 (Susan Moeller)
Property:
Location: 68-752, 68-933, 68-911, 68-903, and 68-885 West Buddy Rogers Avenue
Negotiating Parties:
Agencies: Cathedral City Redevelopment Agency & LINC Housing
Property Owner: Cathedral City Redevelopment Agency
Under Negotiation: Disposition of Property

**CC/RDA MEETING
SEPTEMBER 26, 2001
PAGE 3**

10. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code section 54956.8 (Warren Bradshaw)
Property:
Location: 68795 C Street
Negotiating Parties:
Agencies: Cathedral City Redevelopment Agency & Margaret Lindblade
Property Owner: Margaret Lindblade
Under Negotiation: Real Estate Negotiation
11. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code section 54956.8 (Warren Bradshaw)
Property:
Location: APN: 674-020-011 & 674-020-009; located at Date Palm Drive and the Whitewater River Wash
Negotiating Parties:
Agencies: Cathedral City Redevelopment Agency & Barbara Lyons-Gonzales
Property Owner: Barbara Lyons-Gonzales
Under Negotiation: Real Estate Negotiation
12. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8. (Susan Moeller)
Property:
Location: North Side of E. Palm Canyon Drive West of Monty Hall
Negotiating Parties:
Agencies: Redevelopment Agency & Palm Canyon Partners
Property Owner: Redevelopment Agency
Under Negotiation: Real Property Negotiations

RECOMMENDATION: Adopt motion to recess to closed session pursuant to the above noted statutes.

REPORT OF ACTION(S), IF ANY

**CC/RDA WILL ADJOURN TO
REGULAR MEETING AT 7:30 P.M.**



AGENDA OF THE CITY COUNCIL AND THE COUNCIL SITTING AS THE REDEVELOPMENT AGENCY

**REGULAR CC/RDA MEETING
7:30 P.M.
WEDNESDAY, SEPTEMBER 26, 2001**

- a) Invocation
- b) Flag Salute

CLOSED SESSION ANNOUNCEMENTS

PUBLIC COMMENTS

During this part of the meeting, the public is invited to address the City Council, and/or the Redevelopment Agency Board on any matter **not on the Agenda** or any item on the **Consent Agenda** by stepping to the lectern and giving his/her name and City of residence for the record. Unless additional time is authorized by the City Council, remarks on agenda items shall be limited to three minutes. **If you wish to speak on an agenda item, please wait to be recognized under that item.**

In response to any public comment on an item or matter which **has not been placed on this Agenda** pursuant to Government Code Section 54954.2, members of the City Council and/or the Redevelopment Agency Board may only: **1)** briefly respond to statements made or questions posed by the public; **2)** ask a question for clarification; **3)** make a brief report on his or her own activities; **4)** provide a reference to staff or other resources for factual information; **5)** request staff to report back to the City Council at a subsequent meeting concerning any matter raised by the public; or, **6)** take action to direct staff to place a matter of business on a future Agenda. (California Government Code Section 54954)

AGENDA FINALIZATION

At this time, the City Council and/or the Redevelopment Agency Board may announce any items being pulled from the Agenda or continued to another date.

Urgency Items ("Added Starters"): The Brown Act permits the City Council to take action on any item that does not appear on the Agenda only if 2/3 of the City Council (if all are present) or all members of the Council (if less than all are present) determine there is a need to take immediate action on the item and that the need to take immediate action came to the City Council's attention after the posting of the Agenda.

COUNCIL COMMENTS

Councilmembers' Comments on Items not on the Agenda.

PRESENTATIONS AND PROCLAMATIONS

- ☞ Proclamation of City support for the heroism shown in the tragic terrorists attacks of September 11, 2001. (City Council)
- ☞ Proclamation designating September 24-30, 2001 as Code Enforcement Week. (Fire Chief Steve Sowles)

CALL FOR CORRECTIONS/APPROVAL OF MINUTES

Corrections/Approval of Minutes of the Regular City Council/Redevelopment Agency Board Meeting Held on September 10, 2001.

PLEASE NOTE: THE CITY HAS IN EFFECT AN ORDINANCE REGARDING LOBBYING THAT REQUIRES PERSONS BEING PAID TO MAKE A PRESENTATION ON BEHALF OF SOMEONE OTHER THAN THEMSELVES TO DISCLOSE THAT FACT AT THE TIME OF THEIR PRESENTATION, AND, IN SOME INSTANCES, TO REGISTER WITH THE CITY CLERK PRIOR TO APPEARING BEFORE THE CITY COUNCIL, PLANNING COMMISSION OR CITY STAFF.

PUBLIC HEARINGS:

- | | |
|----------------|---|
| CC/RDA | <ol style="list-style-type: none">1. Authorize the transfer of certain real property, underlying the Riverside County Flood Control District easement in the East Cathedral Canyon Channel, from the Cathedral City Redevelopment Agency to the City of Cathedral City for no financial consideration. (Paul Shillcock) (Pg. 3)<ol style="list-style-type: none">a. Report by Economic Development Managerb. Public Hearingc. Recommendation: Approval |
| COUNCIL | <ol style="list-style-type: none">2. Appeal of Conditional Use Permit 01-292 for a tattoo and body piercing establishment at 68461 East Palm Canyon in the MXC (Mixed Use Commercial) Zone within the Downtown Precise Plan. (Cynthia Kinser) (Pg. 6)<ol style="list-style-type: none">a. Report by City Plannerb. Public Hearingc. Recommendation: Approval |

RDA

LEGISLATIVE ACTION:

- ## RDA

- CC/RDA**

6. Proposed Resolutions implementing the Capital Improvement Program (CIP) for Fiscal Year 2001-2002 as outlined in the proposed 2001-2002 Capital Improvement Program book. (Jerry Jack) **(Please bring your CIP Budget Book previously distributed to you) (Pg. 82)**
 - a. Report by Traffic and Development Division Manager
 - b. Public Input
 - c. Recommendation: 1) Adopt Resolution No. 2001-_____
2) Adopt Resolution No. R-

**CC/RDA AGENDA
SEPTEMBER 26, 2001
PAGE 4**

- COUNCIL** 7. Award of contract to In-2-Lights of California, in the amount of \$20,300 for installation of annual holiday lighting on trees in parkways and medians in the same locations as last year, and for \$6,118 to purchase and install holiday lights at several new locations. (Bill Bayne) **(Pg. 98)**
- a. Report by Senior Engineer
 - b. Public Input
 - c. Recommendation: Approval
- RDA** 8. Authorize **1)** a loan from the Housing set-aside fund balance to a new Capital Improvement Program (CIP) for the proposed conference hotel (BCN Project) in amount not to exceed Two Hundred Twenty Thousand Dollars (\$220,000); and **2)** the Executive Director to execute a Professional Services Contract in substantially the same form as attached with Oliver, Vose, Sandifer, Murphy & Lee (OVS) for eminent domain and other legal services required for the proposed conference hotel (BCN Project). (Susan Moeller) **(Pg. 100)**
- a. Report by Redevelopment Director
 - b. Public Input
 - c. Recommendation: Approval
- RDA** 9. Authorize the Executive Director to execute a contract with Superior Electrical Advertising for new and upgraded signage for the IMAX Theatre, in an amount not to exceed Twenty-Five Thousand Dollars (\$25,000). (Susan Moeller) **(Pg. 119)**
- a. Report by Project Manager
 - b. Public Input
 - c. Recommendation: Approval
- COUNCIL** 10. Authorize the purchase of two Fire Department staff vehicles due for replacement from the vehicle replacement fund. (Chief Sowles) **(Pg. 135)**
- a. Report by Fire Chief
 - b. Public Input
 - c. Recommendation: Approval

**CC/RDA AGENDA
SEPTEMBER 26, 2001
PAGE 5**

- COUNCIL** 11. Proposed Resolution in support of the Traffic Congestion Relief Act Initiative, which provides funding means to initiate an Inter-City Rail between the Coachella Valley and Los Angeles. (Donald Bradley) (Pg. 149)
- a. Report by City Manager
 - b. Public Input
 - c. Recommendation: Adopt Resolution No. 2001- _____

COUNCIL REPORTS ON CITIZEN INQUIRIES AND CONCERNS.

ADJOURNMENT

To the next regularly scheduled meeting of the City Council/Redevelopment Agency Board
Wednesday, October 10, 2001.

NOTE TO THE PUBLIC

Agendas and back-up material giving more information on each agenda item, with the staff's recommendations, have been provided to all Councilmembers. These same materials are on display in the main City Hall lobby, in the Police Department lobby, in the lobby outside the Council Chamber, and in the City Clerk's office from the Thursday preceding the regular Council meeting. Staff "recommendations" are only that; the City Council makes its own decisions based on all information provided to them. The Agenda, by itself, can also be reviewed on the City's Web Site at:

www.cathedralcity.gov

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk by phone at (760) 770-0322. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.102-35.104 ADA Title II]

PLEASE BE ADVISED THAT CITY HALL IS CLOSED EVERY FRIDAY



CITY OF CATHEDRAL CITY

**MINUTES OF THE CITY COUNCIL AND THE CITY COUNCIL
SITTING AS THE REDEVELOPMENT AGENCY**

MONDAY, SEPTEMBER 10, 2001

This regular meeting of the City Council, also sitting as the Redevelopment Agency, was called to order by Mayor/RDA Board Chairman George Stettler in the Council Chamber at 68-700 Avenida Lalo Guerrero, Cathedral City, California, on September 10, 2001, at a 3:00 p.m. Study Session with Roll Call of members present.

ROLL CALL:

Present: Councilmembers/RDA Board Members Kathleen De Rosa and Charles England and Mayor/RDA Board Chairman George Stettler
Absent: Councilmember/RDA Board Member Sarah Di Grandi and Mayor Pro Tem Greg Pettis

Motion was made by Councilmember/RDA Board Member De Rosa, seconded by Councilmember/RDA Board Member England, carried by 3-0 vote, to excuse Councilmember/RDA Board Member Sarah Di Grandi and Mayor Pro Tem/RDA Board Member Gregory S. Pettis.

Councilmember/RDA Board Member Sarah Di Grandi arrived at 3:50 PM; Mayor Pro Tem/RDA Board Member Gregory S. Pettis arrived at 4:45 PM.

The regular evening meeting began at 7:30 p.m., and was opened by Mayor/RDA Chairman Stettler with an invocation by Mayor Pro Tem/RDA Board Member Greg Pettis, followed by the flag salute led by Councilmember/RDA Board Member Sarah Di Grandi.

POSTED CLOSED SESSION:

1. CONFERENCE WITH LEGAL COUNSEL REGARDING POTENTIAL LITIGATION pursuant to Government Code Section 54956.9, Subd. (c).
Number of Potential Cases: Four

CC/RDA MINUTES
SEPTEMBER 10, 2001
PAGE 2

2. CONFERENCE WITH REAL PROPERTY NEGOTIATOR pursuant to Government Code Section 54956.8. (Paul Shillcock)

Properties:

Location: Various Parcels South of East Palm Canyon Drive Between Date Palm and Van Fleet
APN Nos.: 687-222-004; 687-224-007;
687-225-011; 687-225-017; and 687-221-001

Negotiating Parties:

Agencies: Redevelopment Agency and BCN Development
Property Owner: Redevelopment Agency

Under Negotiation: Disposition of Property

CLOSED SESSION ANNOUNCEMENTS: Mayor/RDA Board Chairman George Stettler announced that City Council took no actions in Closed Session.

PUBLIC COMMENTS:

- ☞ Chuck Vasquez, Cathedral City - Putting together a meeting about an assessment district in the 35th Avenue area; Citizens want to do something to recognize police and fire personnel. Looking at doing a citizen-based Day of Recognition sometime in January.
- ☞ Bill Cohen, Cathedral City - It is his 58th wedding anniversary; COPS is stilling looking for volunteers, please contact him at the Police Department to sign-up.

AGENDA FINALIZATION: Mayor/Chairman Stettler announced that Councilmember/RDA Board Member De Rosa announced that she would be abstaining from discussion of Item No. 7 on the Consent Agenda due to owning stock in Time Warner and Item No. 12 of the Legislative Agenda due to a business conflict.

COUNCIL COMMENTS:

- ☞ Councilmember/RDA Board Member De Rosa
 - Reminded the audience of the upcoming Senior Center Winterfest.
 - The United Cerebral Palsy's Bowl-a-thon was great.
 - September is Junk your Jalopy Month. Code Enforcement will haul away abandoned or inoperable vehicles free of charge.
 - Time to recycle Phone Books from September 10 through October 10. Bring your old book to your local school.

**CC/RDA MINUTES
SEPTEMBER 10, 2001
PAGE 3**

- A big thank you to J. Anthony Plumbing and Preferred Plumbing for supporting the America's Choice Publication.
- Fire Captain Shaun Malone has entered the Arthritis Foundation Race in Dublin, Ireland. Please support his worthwhile efforts.
- ☞ Councilmember/RDA Board Member England
 - "Meet you at the Pole" event at 7AM on September 17, 2001 for a day of prayer, starting at each school's flag pole.
- ☞ Mayor Pro Tem/RDA Board Member Pettis
 - Representatives of our Sister City Tequila, Mexico will be in town from September 16-19.
 - AB 358 passed the State Senate with only two "NO" votes. He thanked everyone for their support.
- ☞ Mayor/RDA Chairman Stettler
 - Encourages everyone to visit a Cathedral City High School Football game. He went and it was the most fun he'd had in a long time. We need to show our support of the team.
 - The Cathedral City Chamber of Commerce's Golf Tournament will be held on September 14. It sounds like a great event, the Mayor encouraged everyone to attend.

PRESENTATIONS AND PROCLAMATIONS:

- ☞ The City Council presented a plaque to Juan Carlos Ochoa for his service on the Architectural Review Committee.
- ☞ On behalf of the City, Mayor Stettler recognized local boxers trained at the Cathedral City Boxing Club by Coach Ron Garcia, a Cathedral City Code Enforcement Officer:
 - Mario Guillermo, age 15; Christian Sanchez, age 13; Adrian Bally, age 13, Victors of the final matches of the Golden Gloves State Championships held in June in Los Angeles.
 - Adam Carrera was recognized for his hard work that led him to win his first professional fight at the Agua Caliente Casino (a representative accepted his certificate on his behalf).
 - Timothy Bradley was United States Champion of the Under Age 19 match in Dallas, Texas.
 - Ron Garcia was recognized for his outstanding efforts and dedication to our Valley's youth.
- ☞ Video presentation by Mr. Bill Cohen regarding the R.S.V.P. Program. Mr. Cohen states that the program is valuable to the City and to the volunteers.
- ☞ Presentation by Fire Chief Steve Sowles to Mr. Bruce Smith for his outstanding community service. Mr. Smith of Preferred Plumbing sponsored the Fire Department's pages in the America's Choice Publication.

**CC/RDA MINUTES
SEPTEMBER 10, 2001
PAGE 4**

CALL FOR CORRECTIONS/APPROVAL OF MINUTES:

Minutes of the Regular City Council/Redevelopment Agency Board Meetings Held on August 22, 2001, were approved as amended.

CONSENT AGENDA:

Mayor Pro Tem/RDA Board Member Pettis made a motion, seconded by Councilmember/RDA Board Member Di Grandi, carried by a 5-0 vote to adopt Consent Agenda Item Nos. 1,2,3,4,5, and 6. Item No. 7 was carried by a 4-0 vote with Councilmember/RDA Board Member De Rosa abstaining from discussion due to the fact that she owns stock in Time Warner.

1. Received and filed Claims and Demands incurred by the City Council and the Redevelopment Agency Board in the total aggregate sum of \$5,129,826.51 for the month of July, 2001 by **Minute Order Nos. 3287 and R-861.**
2. Approved and authorized **1)** the dedication on the final parcel map of public service easements and emergency access easements on portions of land owned by the City and Agency within the proposed Ritz Carlton Golf course; and **2)** the Mayor and City Clerk to sign the final parcel map on behalf of the City of Cathedral City, as subdivider, and the Chairman and Secretary to sign the final parcel map on behalf of the Redevelopment Agency, as subdivider; and **3)** the execution and delivery of various easements across and through City and Agency owned land for water sewer, gas, electric, access, and other uses as needed in conjunction with the development of the golf course. These actions were adopted by **Minute Order Nos. 3288 and R-862.**
3. Waived further reading and adopted Ordinance No. 551 approving Negative Declaration and a request to amend the Zoning Map from "R-1 - 7. - S" (Single-Family Residential - 7,2000 sq.ft. lots - Specific Plan) to "RR" (Resort Residential) for 32 acres generally located east of the Whitewater River between 30th Avenue and Mc Callum Way.(Cimarron Golf Resort) (2ND Reading)
4. Approved Amendment No.1 to the Cooperative Agreement between the City of Cathedral City and the City of Palm Springs to reflect actual bid cost for the Ramon Bridge Repair Project by **Minute Order No. 3289.**
5. Authorized the City Manager to execute a contract with South Coast Air Quality Management District and direct staff to proceed with the implementation of the project to enlarge the compressed natural gas refueling component of the Arco Service Station by **Minute Order No. 3290.**

**CC/RDA MINUTES
SEPTEMBER 10, 2001
PAGE 5**

6. Approved changes in original bid specs allowing minor modifications on both fire apparatus to enhance usability and operational efficiencies. Total cost of modifications for both units totaling approximately \$7,000 by **Minute Order No. 3291**.
7. Approved the transfer of the Cable Franchise by **Resolution No. 2001-64**. **Councilmember/RDA Board Member De Rosa abstained from this item.**

PUBLIC HEARINGS:

8. A review of the Planning Commission's decision to approve a Conditional Use Permit 01-292 for a tattoo and body piercing establishment at 6846 East Palm Canyon in the MXC (Mixed Use Commercial) Zone within the Downtown Precise Plan.

Report by City Planner Cynthia Kinser

Public Hearing was opened and closed without comment.

Mayor Pro Tem/RDA Board Member Pettis made a motion, seconded by Councilmember/RDA Board Member England, carried by a 5-0 vote, **to continue the item to September 26, 2001**, Regular Council Meeting.

LEGISLATIVE ACTIONS:

9. Approval of the City's involvement in the concept of a Valley-wide Animal Services Program and to research further into the costs of such a program and service levels provided to the City.

Report was given by Lt. Ray Griffith, Cathedral City Police Department

Public Input was opened:

- ☞ Corky Larson, CVAG - An elected official needs to be part of the Joint Powers Authority (JPA). She commended Robert Come for his efforts on this project.
- ☞ Mike Russell, President of Animal Samaritans - urged Council to vote Yes on this project.
- ☞ Herb Moniz, Cathedral City, urged Council to vote Yes on this project.
- ☞ Kendra Culbertson, Cathedral City - An Animal Samaritan Volunteer - this is a good project and the Samaritans do good work.

Public Input was closed.

CC/RDA MINUTES
SEPTEMBER 10, 2001
PAGE 6

Councilmember/RDA Board Member England made a motion, seconded by Councilmember/RDA Board Member Di Grandi, carried by a 5-0 vote, to approve the City's involvement in the Valley-wide Animal Services Program and to further research the costs and service levels offered to the City by **Minute Order No 3292**. City Council/RDA Board appointed Councilmember England to serve as the elected official representative on the CVAG committee for the Valley-Wide Animal Services Program.

10. Proposed Resolution approving the Replacement Housing Plan for Mercy Housing California senior housing between A Street and B Street (HUD Section 202 Program) as prepared by Pacific Relocation Consultants (PRC).

Report was given by Housing Manager Warren Bradshaw.


Public Input was opened and closed without comment.

RDA Board Member Pettis made a motion, seconded by RDA Board Member De Rosa, carried by a 5-0 vote, to approve the Replacement Housing Plan for Mercy Housing by **adopting Resolution No. R-322**.

11. Request to: **1)** Authorize the Executive Director to execute the MOU with Mercy Housing California for the development of 75 units of affordable senior housing between A and B Street under the HUD Section 202 Program and **2)** authorize the Executive Director to execute a Loan Agreement and Assignment of Plans, Studies and Report, and to advance \$100,000 of the Agency Subsidy for the project to Mercy Housing California.

Report was given by Housing Manager Warren Bradshaw

Public Input was opened:

-  Jim Garner, Cathedral City - encouraged City Council to vote for this project.

Public Input was closed.

RDA Board Member Pettis made a motion, seconded by RDA Board Member De Rosa, carried by a 5-0 vote, to authorize the Executive Director to execute the MOU with Mercy Housing; to execute a Loan Agreement; and, to advance \$100,000 to Mercy Housing for the project. This motion was adopted by **Minute Order No R-863**.

**CC/RDA MINUTES
SEPTEMBER 10, 2001
PAGE 7**

12. Acknowledge the contract with Competitive Resources and Peek Traffic, per previous City Council authorization of February 14, 2001, to retrofit 11 City Traffic Signals with Liquid Emitting Diode (LED) indicators and install 5 signal battery backup systems; and authorization to establish Capital Improvements Program (CIP) #9736 with an amount of \$145,000 including : transfer of unencumbered Measure A Funds (fund #243) in the amount of \$27,000 and the use of \$30,000 of Traffic Safety Funds (Fund #233) as shown in the draft 2001/2002 CIP.

Report was given by City Engineer David Faessel.

Public Input was opened and closed without comment.

Councilmember England made a motion, seconded by Councilmember De Rosa carried by a 5-0 vote, to accept Staff's recommendation. This motion was adopted by **Minute Order No. 3293**.

13. Request to solicit a formal Request for Proposals (RFP) to vendors and contractors for the purpose of modifying and enhancing the acoustical qualities of the Council Chamber.

Report was given by Economic Development Manager Paul Shillcock.

Public Input was opened and closed without comment.

Councilmember Pettis made a motion, seconded by Councilmember Di Grandi carried by a 5-0 vote, to solicit RFPs to enhance the Council Chamber acoustical quality. This motion was adopted by **Minute Order No. 3294**.

14. Authorization of Staff to solicit bids for outdoor sound equipment not to exceed \$30,000.

Report was given by Economic Development Manager Paul Shillcock.

Public Input was opened:

☞ Robert Marchand, Cathedral City - As a Public Arts Commissioner he is in favor of the upgrade.

☞ Cornell English, Cathedral City - In favor of the upgrade.

Public Input was closed.

Councilmember England made a motion, seconded by Councilmember De Rosa carried by a 5-0 vote, to authorize staff to solicit bids for outdoor sound equipment, adopted by **Minute Order No. 3295**.

CC/RDA MINUTES
SEPTEMBER 10, 2001
PAGE 8

15. Approval of the Local Law Enforcement Block Grant Expenditure Proposal as submitted by the Chief of Police for \$87,123.00 in Federal Grant Funds and \$9,680 in matching City General Funds.

Report was given by Captain John Holcomb

Public Input was opened and closed without comment.

Councilmember Di Grandi made a motion, seconded by Councilmember De Rosa carried by a 5-0 vote, to approve Staff's recommendation. The motion was adopted by **Minute Order No. 3296**.

16. Consideration of the League of California Cities proposed Bylaw Amendments.

Report was given by City Manager Donald Bradley

Public Input was opened and closed without comment.

City Council/RDA Board directed Mayor Pro Tem/RDA Board Member Pettis to support the League's proposed Bylaws Amendments as he saw fit and to be in the City's best interest.

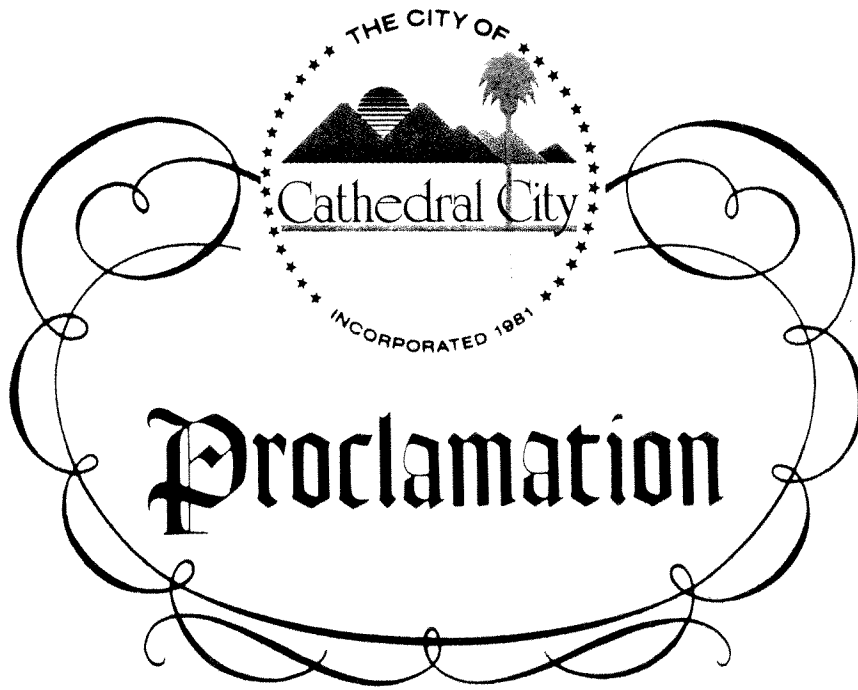
COUNCIL REPORTS ON CITIZEN INQUIRIES AND CONCERNS.

- ☞ Mayor Pro Tem/RDA Board Member Pettis requested staff to correct the desk-display time for the next meeting.

ADJOURNMENT:

There being no further business for discussion, this meeting was adjourned at 9:25PM.

Donna M. Velotta
City Clerk



WHEREAS, on Sept. 11, 2001, fanatical terrorists hijacked four commercial aircraft and turned them into weapons of destruction in a plot that ended the lives of all passengers and more than 5,000 at the World Trade Center and the Pentagon; and

WHEREAS, this tragedy struck at the heart of the financial and governmental centers of this country and then spread outward to personally affect Americans in every town, borough and city, including Cathedral City, within the United States; and

WHEREAS, the resolve of the United States and most other countries throughout the world has never been stronger to preserve the rights of people everywhere to live without the fear of terrorism and to exercise free will; and

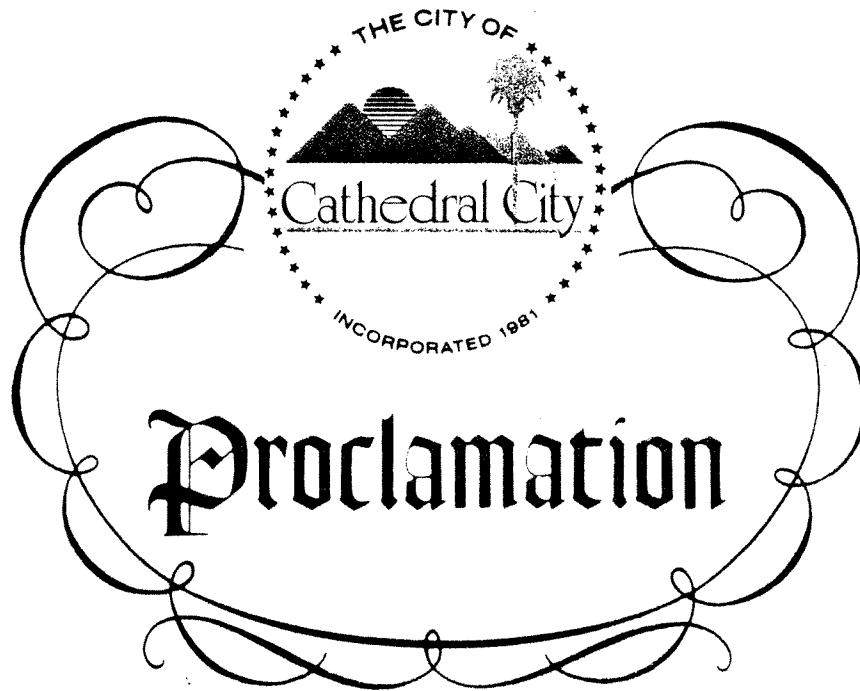
WHEREAS, firefighters and police officers in New York City were first on the scene to respond to the catastrophe at the World Trade Center, setting an example of American determination and dedication by saving the lives of their fellow Americans; and

WHEREAS, through their selfless efforts, many firefighters and police officers also lost their lives in the fiery collapse of the trade center and afterward in the rubble as they desperately attempted to locate and rescue victims of the disaster; and

WHEREAS, the Cathedral City Firefighters and Police Officers will host barbeques at two City events: Fiesta del Cine on November 3, and the City's 20th Anniversary Celebration on November 17, 2001 in an effort to assist in financially assuring the security of the fallen New York City firefighters' and police officers' families.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF CATHEDRAL CITY, by the powers vested in us on behalf of the entire community, do hereby express gratitude to the heroic New York City firefighters and police officers.

DATED this 26th day of September, 2001



WHEREAS, the code enforcement profession plays an integral role in maintaining a high quality of life for our citizens by increasing the public's safety, preventing deterioration and blight in neighborhoods, and protecting property values throughout our City; and

WHEREAS, the California Code Enforcement Council is comprised of code enforcement officials who represent cities, counties, state government and other related agencies; and

WHEREAS, the purpose of this Council is to foster standards both professional and educational, for persons employed in or performing duties which relate to or depend upon knowledge of code enforcement procedures and regulations, to administer periodic and regular training and educational opportunities for its members, to promote certification of members who meet minimum educational, training and other requirements, and to foster mutual support among members and to promote and develop the code enforcement profession; and

WHEREAS, we wish to convey our pride by applauding the City employees who work in the code enforcement field for their dedication, hard work and commitment; and

NOW, THEREFORE, WE, THE CITY COUNCIL OF THE CITY OF CATHEDRAL CITY, by the powers vested in us, do hereby proclaim September 24th through September 30th, 2001

CODE ENFORCEMENT WEEK

in our City and on behalf of the City council commend these employees for providing excellent services for the citizens of Cathedral City, and urge recognition and support of our City Code Enforcement Officials for their efforts to improve the quality of life in our Community.

DATED this 26th day of September, 2001



KATHLEEN DE ROSA, COUNCILMEMBER



**REDEVELOPMENT AGENCY
CITY OF CATHEDRAL CITY
AGENDA REPORT**

**SUBJECT: TRANSFER OF REAL PROPERTY FROM THE REDEVELOPMENT
AGENCY TO THE CITY OF CATHEDRAL CITY**

DEPARTMENT: Economic Development **MEETING DATE:** Sept 26, 2001
CONTACT PERSON: Paul Shillcock **DEADLINE FOR ACTION:** Sept 26, 2001

APPROVED: *Paul Shillcock* *D.S. Bradley* _____
Department Executive Director Finance

RECOMMENDATION:

Authorize the transfer of real property, underlying the Riverside County Flood Control District easement in the east Cathedral Canyon Channel, from the Cathedral City Redevelopment Agency to the City of Cathedral City for no financial consideration.

BACKGROUND:

In January of 1999, City Council/Redevelopment Agency members were first made aware of a proposed project that would include a hotel, time share units and some associated retail development on the south side of East Palm Canyon, south of the storm channel on land that was partly owned by Don Ballard and would be partially leased from a group of allottees. The property to be developed was part of a large parcel that the Agency had acquired through property tax foreclosure and transferred to Don Ballard to facilitate the development.

An additional portion of the large parcel was desired by the Ritz Carlton to allow the relocation of the proposed golf course north away from the sensitive Bighorn Sheep lambing area. This acreage was deeded back to the Agency by Ballard to allow the City to lease it to the golf course developer.

Adjacent to the large parcel is the East Cathedral Canyon storm channel. The Riverside County Flood Control District holds an easement on the property, but is not the underlying property owner. The last owner of record is the Cathedral City Development Company, which has not been an active business for many decades. This situation has created numerous problems as both Ballard and the Ritz Carlton attempt to develop their respective projects.

It has been determined by Chicago Title Company that the owner of the property is the Cathedral City Redevelopment Agency, and they will issue a title policy to that effect. Since the lease that has been prepared for the golf course land is between the City of Cathedral City and Olympus Rancho Mirage, LP, and since a part of the property that will be leased to Olympus Rancho Mirage, LP is currently owned by the Redevelopment Agency, it is necessary to transfer the property from the Agency to ownership by the City.

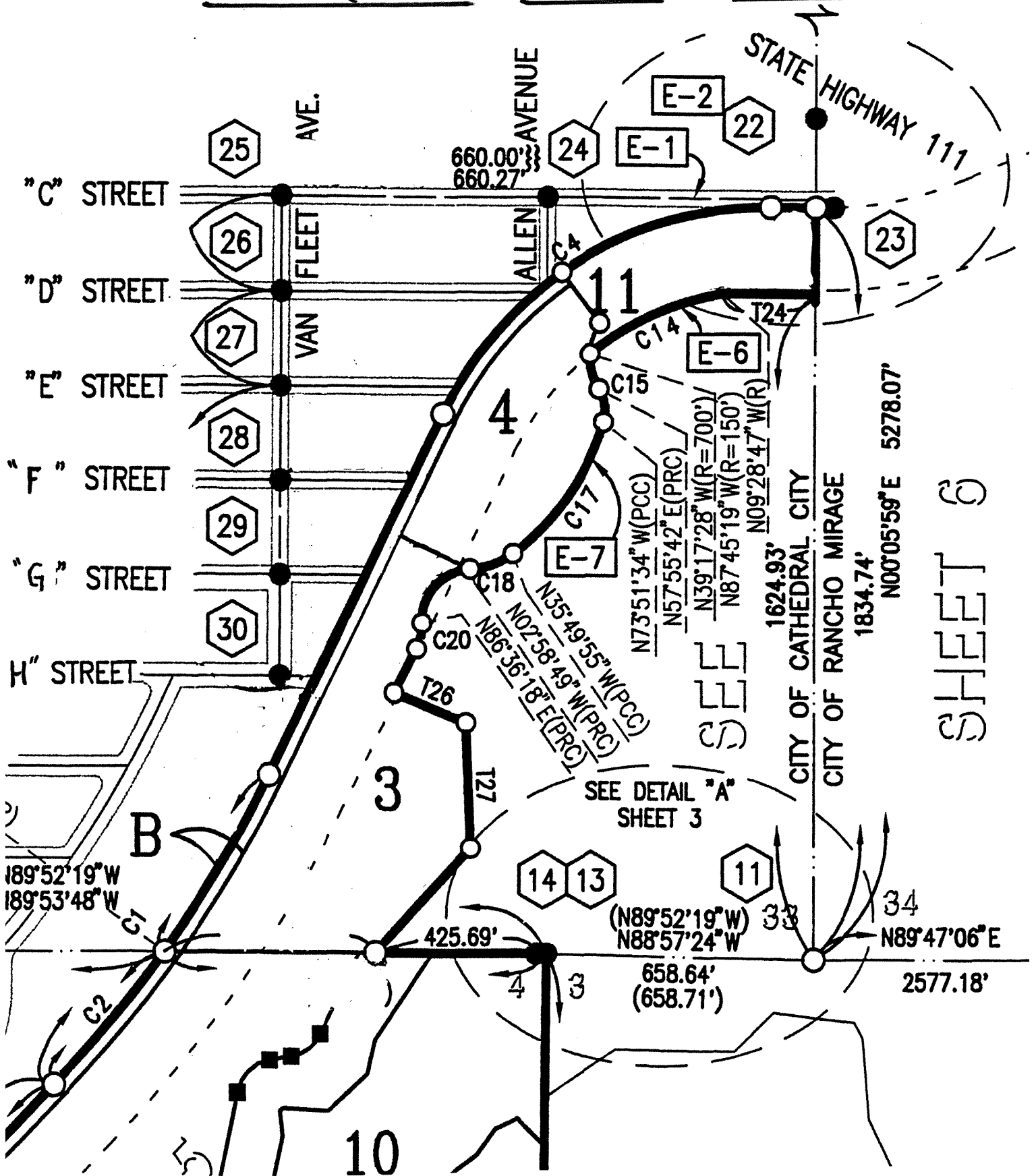
FISCAL IMPACT:

This action will have no fiscal impact. Failure to transfer the property could result in a challenge to the validity of the lease for the Ritz Carlton golf course.

ATTACHMENTS:

Map showing property to be transferred Lots 3,4,11 and B of Parcel Map 29719.

PARCEL MAP 29719





AGENDA REPORT
for consideration by the
CATHEDRAL CITY CITY COUNCIL

SUBJECT: AN APPEAL OF AN ACTION BY THE PLANNING COMMISSION APPROVING CONDITIONAL USE PERMIT 01-292, A REQUEST FOR A TATTOO AND BODY PIERCING ESTABLISHMENT, LOCATED AT 68-461 EAST PALM CANYON DRIVE IN THE MXC (MIXED USE COMMERCIAL) ZONE OF THE DOWNTOWN PRECISE PLAN.

DEPARTMENT: Planning

MEETING DATE: September 19, 2001

CONTACT PERSON: Cynthia S. Kinser

DEADLINE FOR ACTION: N/A

APPROVED:   
Department City Manager Finance

RECOMMENDATION:

That the City Council adopt the draft Resolution, thereby reaffirming the Planning Commission's action of August 1, 2001 approving Conditional Use Permit 01-292 for a tattoo and body piercing establishment, located at 68-461 East Palm Canyon Drive in the MXC (Mixed Use Commercial) zone of the Downtown Precise Plan.

***Executive Summary:** On August 1, 2001, the Planning Commission approved (3-2) Conditional Use Permit 01-292, a request to establish a tattoo and body piercing facility located on the second floor of a shopping center on the southeast corner of Palo Verde and East Palm Canyon. On August 22, 2001, the City Council considered a request by Mayor Pro Tem Greg Pettis to appeal the matter to the City Council. The Council (5-0) agreed to hear the matter.*

BACKGROUND:

The Planning Department received an application to establish a tattoo and body piercing establishment in a shopping center on the southeast corner of Palo Verde and East Palm Canyon in the MXC (Mixed Use Commercial) zone of the Downtown Precise Plan.

Downtown Precise Plan

Personal Services are a conditionally permitted use within the Mixed Use Commercial zone of the Downtown Precise Plan. Personal Services are described as hair and nail salons, shoe repair, dry cleaners and similar businesses.

Municipal Code

Municipal Code Chapter 5.34 provides that tattoo establishments require a Conditional Use Permit.

ANALYSIS:

In review with the Development Services Committee, staff did not identify any issues with the proposed tattoo and body piercing use, nor the proposed location. Though not a specifically named use in the Downtown Precise Plan, staff evaluated the proposed use as being equivalent to that of a hair and nail salon. This evaluation was based on two primary factors: 1) many hair and nail salons provide for ear piercing, which is a form of body piercing, and 2) permanent make-up (typically the tattooing of eyeliner) is an available service in some hair and nail salons.

The proposed use was presented to the Planning Commission on August 1, 2001. At that meeting, staff recommended approval, subject to conditions requiring a trash enclosure to be constructed and that signs would require staff review prior to installation.

During the course of the Planning Commission's hearing, the Commission discussed three primary factors:

- Compatibility to residential uses - Some Commissioners identified they were concerned that the use may not be appropriate near residential uses. Staff, based on prior discussions with Police staff, identified that there were no known issues with this type of use adjacent to residential (the closest residential units are approximately 250 feet to the south).
- Adjacency to the Downtown - Some Commissioners identified concerns that the proposed use was not appropriate as the gateway to the Downtown. Staff identified that it was a matter of personal taste as to whether tattoo and body piercing was an art form and, thereby, a form of entertainment, or whether it was a nuisance use. In staff discussions with the Police Department and the City Attorney's office, no known nuisance issues were discovered with relation to this type of use.
- General condition of the site/building - Staff had recommended that a trash enclosure be installed on the site. In addition, the Planning Commission required the landscaping to be enhanced.

The Planning Commission approved the use with a 3-2 vote, subject to conditions of approval noted above.

PETITION OF APPEAL:

On August 2, 2001, the Planning Department received a request from Mayor Pro Tem Pettis to appeal the matter to the City Council. As required by ordinance, the matter was presented to the City Council on August 22, 2001 to determine if the City Council would appeal the Conditional Use Permit. The City Council agreed (5-0) to appeal this matter for review. Mayor Pro Tem Pettis identified his reasons for wanting the Council to consider an appeal of this matter as follows:

- 1) Disagreement with interpretation that tattoo and body piercing is a "personal service";
- 2) That the use is not appropriate within the Downtown area; and,

- 3) That the use is not appropriate use adjacent to residential.

Personal Service

As noted above, "personal service" within the Downtown Precise Plan is quite broad, ranging from hair & nail salons to dry cleaning. Staff made the interpretation that the proposed use is similar to services presently provided in many hair & nail salons.

Downtown

The Downtown Precise Plan provides for a wide range of uses that include residential, employment and entertainment opportunities, along with the services that support those uses. Tattoo and body piercing can be considered either a service or entertainment.

Adjacent to Residential

As previously noted, staff has discussed the proposed use with the Police Department and the City Attorney's Office, no known situations have been identified with regard to this type of use being adjacent or near residential uses.

The Planning Commission has approved this Conditional Use Permit request, and staff recommends the City Council reaffirm the Planning Commission's approval.

FISCAL IMPACT:

None.

ALTERNATIVES:

Direct staff to prepare a resolution overturning the Planning Commission's decision, thereby denying the Conditional Use Permit. This will require the City Council to make findings that support one of the following: that the use is not a "personal service", does conflict with residential uses, or is not appropriate as part of the Downtown Precise Plan or as a gateway to the Downtown Core.

ATTACHMENTS:

- | | |
|-----------|---|
| Exhibit A | Resolution (Reaffirming Planning Commission's decision) |
| Exhibit B | Planning Commission Staff Report and Resolution, August 1, 2001 |
| Exhibit C | Planning Commission Minutes |
| Exhibit D | Public Hearing Notice |

RESOLUTION NO. 01-

CONDITIONAL USE PERMIT 01-292

A RESOLUTION BY THE CITY COUNCIL OF THE CITY OF CATHEDRAL CITY, CALIFORNIA, AFFIRMING THE APPROVAL ACTION TAKEN BY THE PLANNING COMMISSION ON AUGUST 1, 2001, TO APPROVE A CONDITIONAL USE PERMIT FOR A TATTOO AND BODY PIERCING ESTABLISHMENT AT 68-461 EAST PALM CANYON DRIVE IN THE MXC (MIXED USE COMMERCIAL) ZONE

WHEREAS, an application to the City of Cathedral City, California ("City"), for approval of a Conditional Use Permit under the provisions of Chapter 19.08 of the Cathedral City Zoning Ordinance was initiated by **William Ramsey** ("Applicant"); and

WHEREAS, said application was reviewed by the Development Services Committee on July 18, 2001; and

WHEREAS, said application was approved by the City's Planning Commission after a properly noticed public hearing was held on August 1, 2001; and

WHEREAS, the City Council for the City of Cathedral City determined to appeal the matter on August 22, 2001; and

WHEREAS, the Petition of Appeal to the City Council was submitted to said City's City Council for decision after a properly noticed public hearing was held September 19, 2001;

THE CITY OF CATHEDRAL CITY CITY COUNCIL DOES RESOLVE AS FOLLOWS:

Section 1. The City Council has considered all of the evidence submitted into the administrative record, which includes, but is not limited to the following:

- a) The Staff Report prepared for the City Council by Cynthia Kinser, City Planner;
- b) The staff presentation at the City Council meeting held on September 19, 2001;
- c) Public comments, both written and oral, received and/or submitted at, or prior to, the public hearing/meeting supporting and/or opposing the staff recommendation; and
- d) Testimony and/or comments from interested parties including the Applicant and its representatives submitted to the City in both written and oral form at, or prior to, the public hearing/meeting.

Section 2. Based on the foregoing evidence the City Council finds that:

- a) The City Council found that the proposal substantially complies with all applicable requirements of the Cathedral City Municipal Code, General Plan, Zoning Ordinance, and Downtown Precise Plan:

The proposed tattoo and body piercing establishment is consistent with other uses conditionally permitted, such as hair and nail salons, within the Mixed-Use Zone of the Downtown Precise Plan.

- b) The overall design relates to the intent and purpose of the General Plan, Zoning Ordinance, Downtown Precise Plan, and to the general nature of the area in which the development is located:

The business would be located in a existing multi-tenant building, that as conditioned would be required to provide a trash enclosure and enhance the landscaping, which would bring the existing site into greater conformance with current ordinances and reduce blight.

- c) The development provides for adequate public facilities and improvements:

The proposed use would be located in an existing multi-tenant building that adequate existing facilities and infrastructure to support the intended use.

Section 3. In view of all the evidence, and based on the foregoing findings, the City Council hereby resolves as follows:

- a) That the City Council of the City of Cathedral City, California, does affirm the Planning Commission action of August 1, 2001, to approve a tattoo and body piercing facility, located at 68-461 East Palm Canyon Drive in the MXC (Mixed Use Commercial) zone; and

Section 5. The Secretary to the City Council shall certify as to the adoption of this resolution and shall cause the same to be processed in the manner required by law.

PASSED AND APPROVED on this 19th day of September, 2001.

Attest:

Mayor George Stettler

City Clerk

Approved as to Form:

Approved as to Content:

City Attorney

City Planner

Approved:

City Manager



STAFF REPORT
for consideration by the
CATHEDRAL CITY PLANNING COMMISSION

CASE NO.: Conditional Use Permit 01-292

MEETING DATE: August 1, 2001

APPLICANT: William Ramsey
Maddox

STAFF CONTACT: Rebecca

REQUEST: A request to operate a tattoo and body piercing establishment, approximately 800 square feet, located at 68-461 East Palm Canyon Drive, in the MXC (Mixed Use Commercial) zone.

RECOMMENDATION:

That the Planning Commission adopt the draft Resolution, thereby approving Conditional Use Permit 01-292, a request to operate a tattoo and body-piercing establishment.

BACKGROUND:

This application was submitted to the City on June 18, 2001. The Development Services Committee reviewed and approved the project on July 18, 2001, with one comment. The Redevelopment Agency requested that a condition of approval be adopted that prohibits the use of exposed neon around the perimeter of the windows that front East Palm Canyon Drive. This condition is included in the proposed resolution of approval. The Architectural Review Committee did not review the project as no exterior improvements are proposed.

ANALYSIS:

The proposed tattoo establishment would be located in a multi-tenant building at 68-461 East Palm Canyon Drive, which is located at the southeast corner of East Palm Canyon and Palo Verde Drives, within the Downtown Precise Plan area. This facility would be located on the second floor of the existing building, and would utilize common restroom facilities and would be accessed by a common stairway. The trash bin for this building is located south of the building in a service alley and staff has recommended that a trash enclosure be constructed as part of the conditions of approval for this project.

The Downtown Precise Plan and the Cathedral City Municipal Code both require that tattoo establishments operate under an approved Conditional Use Permit as defined by the Zoning Ordinance (see attached Municipal Code Section 5.34). Further, the code section identifies a variety of items that are necessary to insure a safe and healthy environment for both the consumers and employees of the establishment. Staff has not identified any other pertinent conditions that would be required for this business.

ENVIRONMENTAL ANALYSIS:

This application is defined as "not a project" under CEQA and does not require any further review.

PUBLIC NOTIFICATION:

The Public Hearing notice was posted and published in The Desert Sun newspaper. In addition, the Public Hearing notice was mailed to all properties and property owners within a 300-foot radius of the property in question.

ATTACHMENTS:

Exhibit A	Draft Resolution
Exhibit B	Municipal Code Section 5.34 "Tattooing Establishments"
Exhibit C	Notice of Public Hearing

RESOLUTION NO. P01- 936

CONDITIONAL USE PERMIT 01-292

A RESOLUTION BY THE PLANNING COMMISSION OF THE CITY OF CATHEDRAL CITY, CALIFORNIA, APPROVING A REQUEST FOR A CONDITIONAL USE PERMIT TO OPERATE A TATTOO AND BODY PIERCING ESTABLISHMENT, APPROXIMATELY 800 SQUARE FEET, LOCATED AT 68-461 EAST PALM CANYON DRIVE, IN THE MXC (MIXED USE COMMERCIAL) ZONE.

WHEREAS, an application to the City of Cathedral City, California ("City"), for approval of a Conditional Use Permit under the provisions of Chapter 19.08 of the Cathedral City Zoning Ordinance was initiated by **William Ramsey** ("Applicant"); and

WHEREAS, the Development Services Committee reviewed and approved this application on July 18, 2001; and

WHEREAS, said application has been submitted to said City's Planning Commission for decision after a properly noticed public hearing was held on August 1, 2001; and

WHEREAS, Applicant is requesting Conditional Use Permit approval to operate a tattoo and body piercing establishment, approximately 800 square feet, located at 68-461 East Palm Canyon Drive, in the MXC (Mixed Use Commercial) zone; and

THE CITY OF CATHEDRAL CITY PLANNING COMMISSION DOES RESOLVE AS FOLLOWS:

Section 1. The Planning Commission has considered all of the evidence submitted into the administrative record, which includes, but is not limited to the following:

- a) The Staff Report prepared for the Planning Commission by Rebecca Maddox, Associate Planner;
- b) The staff presentation at the Planning Commission meeting held on August 1, 2001; and
- c) Public comments, both written and oral, received and/or submitted at, or prior to, the public hearing/meeting supporting and/or opposing the staff recommendation; and
- d) Testimony and/or comments from interested parties including the Applicant and its representatives submitted to the City in both written and oral form at, or prior to, the public hearing/meeting.

Section 2. Based on the foregoing evidence the Planning Commission finds that:

- a) The Planning Commission found that the proposal substantially complies with all applicable requirements of the Cathedral City Municipal Code, General Plan and Zoning Ordinance:

The tattoo establishment is a conditional use as specified in the City Municipal Code and Downtown Precise Plan. As submitted, the project is compatible with the General Plan, Municipal Code and Zoning Ordinance.

- b) The overall design relates to the intent and purpose of said General Plan, Zoning Ordinance and to the general nature of the area in which the development is located.

The business would be located in a multi-tenant building that is predominantly stucco and stone with typical glass storefronts. No architectural or exterior modifications are proposed at this time.

- c) The development provides for adequate public facilities and improvements.

The proposed use would be located in an existing multi-tenant building that is equipped with adequate facilities and infrastructure to support the intended use.

Section 3. FEES, DEDICATIONS, RESERVATIONS, AND OTHER EXACTIONS

1. The current fees referenced below are merely fee amount estimates of the impact fees that would be required if due and payable under currently applicable ordinances and resolutions, presume the accuracy of relevant project information provided by the applicant, and are not necessarily the fee amount that will be owing when such fee becomes due and payable.

Unless otherwise provided by this resolution, all impact fees shall be calculated and collected at the time and in the manner provided in the applicable ordinances and resolutions and the City expressly reserves the right to amend the fees and fee calculations consistent with applicable law.

DESCRIPTION	CURRENT FEE/CALCULATION FORMULA	ESTIMATED FEE
Police, Fire, Facilities & Signalization	\$150.00 per 1,000 square foot increment	Exempt
Fringe-Toed Lizard Mitigation Fee	\$600.00 per acre	Exempt
Master Underground Plan	\$.15 per square foot of area under roof structure	Exempt
Transportation Uniform Mitigation Fee	\$2,313.30 per 1,000 square foot Of gross floor area.	Exempt
Transit Development Fee	\$5.00 per linear foot of frontage on major or arterial streets	Exempt

2. The adopted Conditions of Approval for Conditional Use Permit 01-292, incorporated here, may include dedications, reservations, and exactions pursuant to Government Code Section 66020 (d)(1).
3. The City expressly reserves the right to establish, modify or adjust any fee, dedication, reservation or other exaction to the extent permitted and as authorized by law.

Pursuant to Government Code Section 66020(d)(1), NOTICE IS FURTHER GIVEN that the 90 day period to protest the imposition of any impact fee, dedication, reservation, or other exaction described in this resolution begins on the effective date of this resolution and any such protest must be in a manner that complies with Section 66020(a) and failure to timely follow this procedure will bar any subsequent legal action to attack, review, set aside, void or annul imposition.

The right to protest the fees, dedications, reservations, or other exactions does not apply to planning, zoning, grading, or other similar application processing fees or service fees in connection with this project and it does not apply to any fees, dedication, reservations, or other exactions of which you have been given a notice similar to this nor does it revive challenges to any fees for which the Statute of Limitations has previously expired.

Section 4. In view of all the evidence, and based on the foregoing findings, the Planning Commission hereby resolves as follows:

- a) That the Planning Commission of the City of Cathedral City, California, does approve Conditional Use Permit 01-292 to operate a tattoo and body piercing establishment,

approximately 800 square feet, located at 68-461 East Palm Canyon Drive, in the MXC (Mixed Use Commercial) zone:

1. The operation of the tattoo and body piercing establishment shall comply with all applicable federal, state and local regulations.
2. This approval shall commence use within two years after final action by the Planning Commission, otherwise this approval shall become null and void unless otherwise provided by Ordinance. "Commence Use" for the purposes herein is defined as the initiation and operation of the project as approved.
3. Signage for the proposed use is not part of this approval and shall be submitted separately to the Planning Department for review and approval. Exposed Neon perimeter window treatments shall not be permitted at this location.
4. A trash enclosure, built to City standard specifications, shall be constructed to serve this property prior to granting of building occupancy.
5. A landscape plan shall be submitted to the Architectural Review Committee for review and approval and all landscaping shall be installed prior to commencement of the operation of the business.
6. This Conditional Use Permit shall be reviewed by the Planning Commission every two years in the month of August with the first review occurring in 2003, to report and police activities or code violations that have, or have not, occurred within the previous two year period.


Section 5. The Secretary to the Planning Commission shall certify as to the adoption of this resolution and shall cause the same to be processed in the manner required by law.

PASSED AND APPROVED on this 1st day of August, 2001.

Martin Alvarez, Chair

APPROVED AS TO CONTENT:

APPROVED AS TO LEGAL FORM:


Cynthia S. Kinser
City Planner

Kendall Berkey
Deputy City Attorney

PUBLIC HEARING ITEM

Conditional Use Permit 01-292, William Ramsey

This is a request to operate a tattoo and body piercing establishment, approximately 800 square feet, located at 68-461 East Palm Canyon Drive, in the MXC (Mixed Use Commercial) zone.

Associate Planner, Rebecca Maddox, gave the staff report. She stated that the application is being presented for two reasons; the Municipal Code has a conditional use process attached to any tattoo establishments and secondly, anything located within the Downtown Precise Plan, requires a conditional use permit for personal services.

Staff feels this is considered a personal service business and will be located on the second floor of the same building where 7-11 used to be at East Palm Canyon and Palo Verde. There are four clear windows on the second floor that would be dedicated to this business and they are planning to have vertical blinds on them to shield visibility. They also will be requesting signage in the window. The Redevelopment Agency has asked that we limit the use of neon in the windows, as it is within the Downtown Precise Plan area; therefore, this has been included in the Conditions of Approval in the Resolution.

There is only a trash bin there currently and there have been several problems in the past; therefore, the applicant will be required to construct a trash enclosure. The applicant, Mr. Ramsey, is in the audience to answer questions.

Commissioner Touchet asked if this use is included in the MXC zone and Ms. Maddox stated that the MXC zone is very general and has other personal services including salons. We have considered this business as a personal service, the same as barber shops, beauty salons and nail salons.

Mr. Ramsey will be leasing the tenant space and will be the owner of the establishment, not the building. The City Planner stated that as part of a Conditional Use Permit, you make findings that what is presently available is consistent with our zoning regulations and city requirements. Because of a CUP coming forward, we now have a right to look at all aspects that are nonconforming at that location and try to bring it closer to conformance.

Commissioner Touchet was concerned about the building site. Even though it has just recently been painted and relatively new carpet installed, it has a musty smell perhaps because of not having many tenants at this point. Besides the trash enclosure, it really needs landscaping badly which is really the responsibility of the owner of the building. Mr. Touchet doesn't feel that the City should be onerous on Mr. Ramsey but somehow it should be cleaned up.

City Planner Kinser stated that it is within the discretion of the Planning Commission to require the landscaping for the property to be approved as the proposed use is within that building. It would then be up to the applicant to work with the property owner to get the property improved.

Commissioner Sellin felt that in order to be consistent with requirements that we have imposed on other applicants, particularly in the downtown area, this building needs more than paint. He mentioned that on the Paoli business on the corner of Cathedral Canyon and East Palm Canyon, the applicant was required to upgrade that building before occupancy and because of these requirements, the owner of that building did a lot of work and ended up having a very attractive site. The Commissioner also cautioned the planners that signage at the subject site may already be in

violation of City codes.

Commissioner Diekmann asked how close the residential area would be to the business and Associate Planner Maddox stated that the nearest residential zone is located just behind the Bank of America property which is not a significant distance, although directly behind this building it is commercial for approximately a city block.

Chairman Alvarez asked if other personal service businesses of this type would be required to have a conditional use permit? Staff replied that in this particular zone, the Mixed Use Commercial zone, according to the Downtown Precise Plan, yes. It's a conditional use permit in the Municipal Code as a tattoo establishment, and also a conditional use permit in the Downtown Precise Plan listed as a personal service.

The City Planner interjected that if this was a general commercial designation elsewhere in the City, the only reason this type of business would be getting a CUP is because it is required to in the Municipal Code. Elsewhere in the City, personal services are typically uses that are permitted and they would just be doing tenant improvements and getting their business license.

Chairman Alvarez opened the public hearing and asked the applicant to step forward.

Mr. Ramsey stated that he's been a resident of the Valley for thirty-five years, saying that his full name is William Ramsey and he was born and raised here, presently living in Palm Desert. He is currently a General Manager for Starbuck's Coffee Company here in Cathedral City.

He wants to open up a tattoo business that would be an attractive and well-run establishment here in the Valley. He chose Cathedral City as it is in a central location. He is in compliance with the Riverside County Health Department.

Vice Chairman Reeves asked where he has been practicing tattooing. The applicant stated that he started out body piercing in downtown Palm Springs at Fit To Be Tied and then moved to Body Actions for about a year and a half, then at Mad Hatter Tattoo in Palm Desert for four years.

When asked about the improvements that the City would like to see in this location, Mr. Ramsey stated that he's hoping the owner of the building and/or other tenants would get together to come up with some work agreement to get these things done as he also is anxious to have the area cleaned up. As far as the trash enclosure, he will take the responsibility if necessary of getting this done as he agrees that it is badly needed. He stated that his hours of business would be 10 a.m. to 10 p.m. or possibly 12 to 10 p.m. He stated that he has a family and does not want to be out too late. Most other shops in the Valley are open very, very late at night; however, he is looking for a more professional customer, not the bar-type clientele.

Richard Altman of Cathedral City came forward. He stated that he has been a property owner of a hotel approximately fifty feet away. Mr. Altman agrees that the area needs to have improvements badly. He also has been fixing up his property for the last year and a half. He stated that he does not feel that this is a proper use for the downtown area unless they do all the fixing up needed to make that shopping center an asset to the City.

Mr. Carl Roush of Cathedral City stated that he owns a couple of tattoo and body piercing establishments and is concerned that the distance requirement from residential property for a use

like this is established. Secondly, he is concerned about the integrity of this trade. Mr. Ramsey stated that he has been tattooing in downtown Palm Springs and it is not a permitted use in downtown Palm Springs.

A recent resident of Cathedral City, (sounds like Paul Ronge) came forward. He stated that with tattooing, you are dealing with biological waste and the dumpster must be secured as children or other people could easily get into the waste which includes the presence of blood. Jack Rudy, Cathy Rudy and himself wrote the Health Department Codes for Orange County and the greater L.A. area and there are many concerns regarding the Planning Commission allowing someone to tattoo, whether or not they are qualified. There's a chance that kids may get tattooed before they are eighteen years of age that will affect the rest of their lives, or people doing tattooing without proper sterile procedures can be responsible for hepatitis B or even worse. This is not a regulated industry and he feels the Commissioners should be very careful about allowing it.

(Mr. Ronge) stated that Mr. Ramsey worked at the Leopard Lounge in Palm Springs and wasn't supposed to be tattooing in there. He stated that he has an establishment, Peckerwood's Tattoo Shop, that is next to Show Girls in Cathedral City and they get many problems created by other tattoo shops that are not qualified to do tattooing. Because there is no regulation in the tattoo business, he asked that the Planning Commission takes a close, hard look at any tattoo parlors coming in to the City.

Michelle Jeffery, Cathedral City, stated that she owns the Leopard Lounge and wants to clarify that there is biohazard pickup which will be maintained for needles and that type of thing. The reason they are moving to Cathedral City is they found out that Palm Springs is not zoned for downtown and once they found out, they sought out this location for that use. Ms. Jeffery stated that this is the tenth store that she has owned (clothing as well as body piercing and tattooing) and everything is above and beyond health codes and state and county requirements. As far as character which has been brought up, William Ramsey who is a General Manager for Starbucks, and if a major corporation trusts him with their business, I feel a little tattoo shop in Cathedral City should not be a concern.

Mr. William Ramsey came forward again and stated that he would be right down the street from the other tattoo shop and he stated that they consider him as a competitor. Tattooing is a very unregulated industry and not something that can be regulated very easily; therefore, as you are making this decision, I would like to invite any of you to come down to the Leopard Lounge and look at his tattoo studio or come to Starbucks and see how he runs his store. He also wants the City Commissioners to come into his shop if the permit is approved, at any time, just walk in and you will be welcomed as it is always totally compliant. He said he is a business owner and family man and is looking to grow in the Valley where he grew up.

Chairman Alvarez closed the public hearing and asked for commissioner comments.

Vice Chairman Reeves asked the City Planner if there was a distance requirement from residential or any other land uses and Ms. Kinser said, for tattoo parlors, no. This requirement is for sexually oriented businesses.

Regarding concern about this use being regulated, Ms. Kinser stated that the Health Department would monitor these establishments.

Commissioner Diekmann stated that he was not in favor as he does not feel that this is the kind of use we should have in the downtown area. It also is too close to the residential area. He feels something more concrete that would be uniform for everybody regarding personal services should be considered.

Commissioner Sellin asked if Mr. Ramsey was tattooing in the Leopard Lounge, if they had been given a violation notice and if so, when did they stop tattooing.

Mr. Ramsey stated when he first started body piercing there, they were only doing periodic event tattooing, then it became more regular and at that point the City came in to let them know that it was not acceptable in that area and they stopped about thirty days ago. The reason they deemed it to be acceptable is that there is a permanent makeup establishment within two blocks of them.

Commissioner Sellin asked the Chairman if he could make a motion to re-open the public hearing. This request was seconded by Vice Chairman Reeves. Motion unanimously passed by a voice vote 5 – 0.

Mr. Sellin asked (Mr. Ronge) to come forward again and explain why he expressed concern when they were asking a question of the applicant referring permanent makeup.

(Mr. Ronge) said his concern is that the industry is not regulated real heavily; however, cosmetic work is limited to the areas that they are working on. In tattooing, they are not limited to any areas (it can be done anywhere on the body) and that is primarily the division between cosmetic tattooing and actual tattooing.

There are schools provided for cosmetic tattooing, but there are no schools for tattooing. People just starting out like Mr. Ramsey are not a tattooist, but once you given him that permit and he does have a tattoo parlor, he can do whatever and those are the people that come into our shop, disgruntled and angry, and we have to fix up their problems. He stated that he's been in the industry a long time and people over-shoot their actual dreams and think they'll go in and be a tattoo artist in a year and end up making a bad name for the industry.

Chairman Alvarez asked if anyone else cared to speak. Hearing none, he closed the public hearing.

Commissioner Sellin stated that he feels that improvements should definitely be done to the building at this time as this is in our Downtown Precise Plan. He also cautioned the Commissioners to consider that approving a conditional use permit means this use could be maintained indefinitely. Also, if we approve this we should definitely have the upgrades.

Commissioner Reeves is also in agreement with the above comments; however, he feels that a use of this nature should be located in another part of the City rather than the western entryway to our downtown; therefore, he doesn't feel that he could support it.

Chairman Alvarez commented as to why some cities are for and against this type of usage; however, it is a service the same as a beauty shop or barber shop. He would like to caution the applicant to be sensitive to his neighbors and wants to be sure this business would be operated in good taste.

Commissioner Touchet asked the City Planner if there was a way to limit the Conditional Use Permit to a certain period of time in the event that the applicant sold out. The City Attorney stated that a Conditional Use Permit generally runs with the land; however, if the applicant agreed this could be possible, otherwise there has to be some information available that would support your limiting this condition such as a flaw in the applicant's character or some other information showing that this could pose a hardship to others in some way.

The City Planner stated that a Commissioner could ask the applicant if he was willing to have this restriction imposed whereby if he left this establishment, the CUP would become null and void. He also could find out if the applicant is the sole proprietor, or if there is a partnership, who are the partners involved.

The attorney stated that to date the courts have been supportive of tattoo establishments as there has been no evidence found by police departments to limit the hours of operation. That same goal applies to limiting the effectiveness of a Conditional Use Permit for a certain applicant. In other words, what is there about a certain applicant that makes the Commission feel that a limitation of two years should be imposed or that keeping the conditional use permit attached to that applicant is necessary.

A decision should be based primarily on zoning issues; the issue is whether or not the item before the Commission is whether or not this is a kind of use that is contemplated as a personal service use or not. If you do not believe it is, then you must make findings that support your decision that this is not the kind of use that constitutes a personal service use. If you are going to make that decision, you should probably point to some other provision in the Municipal Code where tattoo establishments fit, because we have regulations regarding tattoo establishments which show that they do go somewhere within the City. If you do make that determination, then you must be consistent down the line.

If you're more comfortable, the attorney stated that evidence could give you reason to believe that trash enclosures or landscaping need attention, if so, then you would have the right to ask for these kinds of things to be taken care of, but there must be a legitimate reason to ask for additional conditions.

Commissioner Sellin asked if it was possible to ask for a CUP to be limited to the next 6 months and the attorney stated that the general rule is the CUP has to commence within two years or it expires. The City Planner agreed that there is a time frame imposed; there's a provision in the section regarding conditional use permits in the Zoning Ordinance that it will expire in twenty four months.

Commissioner Sellin made a motion that there be a Resolution by the Planning Commission of the City of Cathedral City, California, approving a request for conditional use permit to operate a tattoo and body piercing establishment approximately 800 square feet, located at 68-461 East Palm Canyon Drive in the MXC (Mixed Use Commercial) zone with an additional requirement of a full landscape plan for the property at this location with a site plan showing the establishment of a trash enclosure and also would like to include a two year renewal period.

The City Planner suggested adding as Condition #5, a landscape plan shall be submitted to the Planning Department for review and approval and landscaping shall be installed prior to commencement of operation of the business. Also Condition #6, the conditional use permit shall be valid for a period of two years.

reviewed by the Planning Commission every two years in the month of August with the first review occurring in 2003, to report on any police activities or code violations that have, or have not, occurred within the previous two year period.

Commissioner Sellin also asked that the landscape plan be approved by the Architectural Review Committee.

Motion was seconded by Commissioner Touchet and was passed by roll call vote 3 – 2. Commissioners Diekmann and Vice Chairman Reeves dissented.



Notice of Public Hearing

This may affect your property. Please read.

Notice is hereby given that a Public Hearing will be held by the City Council of the City of Cathedral City on the following item(s):

CASE: Appeal of Conditional Use Permit 01-292

APPLICANT: William Ramsey

OWNER: William Ramsey

REPRESENTATIVE: N/A

LOCATION: 68-461 East Palm Canyon Drive

PROPOSAL: To consider an appeal of a previously approved tattoo and body piercing establishment, approximately 800 square feet, in the MXC (Mixed Use Commercial) zone.

**ENVIRONMENTAL
DETERMINATION:** Exempt

STAFF RECOMMENDATION: N/A

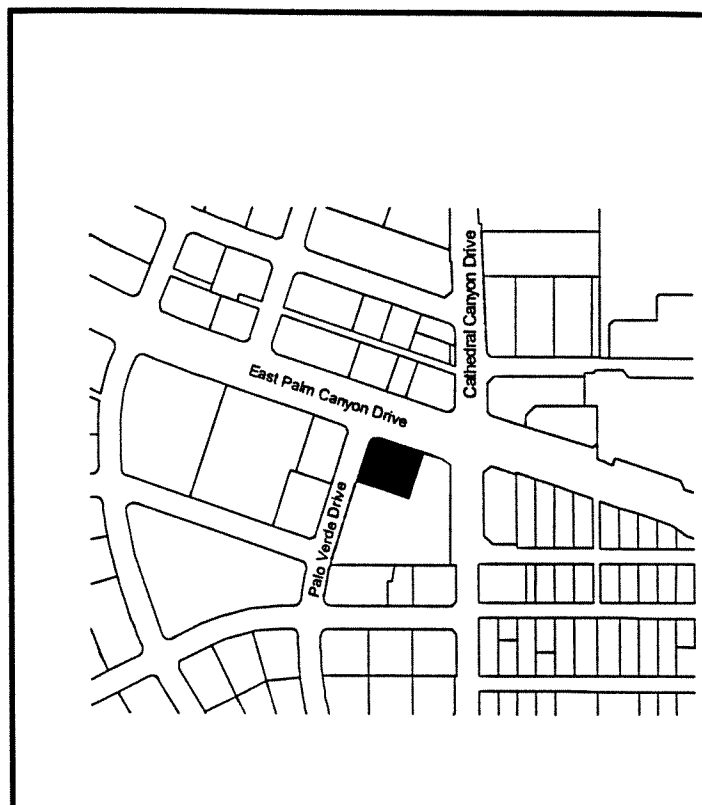
Any person interested in any listed proposal can contact the Community Development Department, Planning Division, at 68-700 Avenida Lalo Guerrero, Cathedral City, California, during normal business hours (7:00 a.m. to 6:00 p.m., Monday through Thursday) or may telephone (760) 770-0345 for further information. The environmental findings, project application, and other supporting documents will be available for public inspection at the above address.

In the case of Public Hearing items, any person may also appear and be heard in support of or opposition to the project or recommendation of adoption of the Environmental Determination at the time of the Hearing.

The City Council, at the Hearing or during deliberations, could approve changes or alternatives to the proposal or the environmental determination.

If you challenge any of these items in court, you may be limited to raising only those items you or someone else raised at the Public Hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the Public Hearing.

NOTE TO THE PUBLIC:
IN COMPLIANCE WITH THE AMERICANS WITH DISABILITY ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, PLEASE CONTACT DONNA VELOTTA, CITY CLERK, AT (760) 770-0322. NOTIFICATION 48 HOURS PRIOR TO THE MEETING WILL ENABLE THE CITY TO MAKE REASONABLE ACCOMMODATIONS TO ENSURE ACCESSIBILITY TO THIS MEETING. {28 CFR 35.104 ADA TITLE II}



↑
LOCATION N
CITY COUNCIL HEARING

City Council Chambers, City Hall
68-700 Avenida Lalo Guerrero
Cathedral City, CA 92234

DATE AND TIME: Sept. 26, 2001 at 7:30 PM

CONTACT PLANNER: Cynthia Kinser

PHONE: (760) 770-0370



**REDEVELOPMENT AGENCY
CITY OF CATHEDRAL CITY
AGENDA REPORT**

SUBJECT: AUTHORIZE THE EXECUTIVE DIRECTOR TO EXECUTE A DISPOSITION AND DEVELOPMENT AGREEMENT WITH GEMSTONE PROPERTIES (d.b.a. CRYSTAL CHRYSLER) TO FACILITATE A PROPERTY TRADE TO ALLOW THE CONSTRUCTION OF A NEW CAR SALES AND SERVICE FACILITY

DEPARTMENT: Economic Development **MEETING DATE:** Sept 26, 2001
CONTACT PERSON: Paul Shillcock **DEADLINE FOR ACTION:** Sept 26, 2001

APPROVED:


Department


Executive Director


Finance

RECOMMENDATION:

Authorize the Executive Director to execute a Disposition and Development Agreement with Gemstone Properties (Crystal Chrysler) to facilitate the trade of the existing municipal parking lot at the corner of Perez and Kyle Roads in the auto center for the same sized parcel of developed public parking north of Perez Road adjacent to the Auto Center to allow for the development of a new car sales/service facility.

BACKGROUND:

At the regularly scheduled Redevelopment Agency meeting of April 26, 2000, the Board approved the concept of a trade of property with Gemstone Properties (Crystal Chrysler) to facilitate the construction of a new car showroom for Hyundai adjacent to the Chrysler-Dodge-Plymouth-Jeep facility in the auto center. Staff was instructed to negotiate the deal and return to the Agency for final action.

At the February 14, 2001 City Council/Redevelopment Agency meeting, the proposal was once again discussed in order to inform the new members of the Council of the deal that had been negotiated. Once again, staff was instructed to bring back a finished agreement whereby there would be no cost to the City or the Agency to complete the project.

Gemstone Properties (Crystal Chrysler) acquired the necessary land from the Riverside County Flood Control District, had the facility designed and caused the parking lot to be constructed. During the process, all City procedures were followed, all reviews completed and all permits obtained.

Staff has determined that the new parking lot will accommodate more cars than the existing lot even though the area of the two parcels is exactly the same. This is due to the elimination of the loading zone, which exists in the current lot and a more efficient design for the spaces provided. Staff also believes that maintenance costs will be lowered due to the effort to include drought tolerant landscaping in the plans that were approved.

Staff is convinced that the highest and best use of the site of the current municipal parking lot is a new car sales and service facility. It had been impossible to convert the property to a revenue generating use while still providing public parking for the customers and employees at the auto center until the deal was made with Gemstone Properties.

A Disposition and Development Agreement has been prepared by the City Attorney's Office and reviewed by representatives of Gemstone Properties.

FISCAL IMPACT:

The trading of the land itself will have no fiscal impact. The creation of an additional new car sales and service facility will increase new car sales and generate additional sales tax revenue for the City.

The owners and the manufacturer believe that, based on the performance of similar dealerships with similar circumstances, the number of vehicles sold will increase significantly when the Hyundai dealership is placed in its own facility. This increase could double the number of Hyundai vehicles sold per year.

The estimate by Crystal of construction cost for the new facility is approximately \$700,000. This translates into seven thousand dollars of tax increment that will be generated each year.

ATTACHMENTS:

Proposed DDA

Summary Report of the Redevelopment Agency relative to the DDA

Resolution of the City Council approving the execution of the DDA

Resolution of the Redevelopment Agency approving the execution of the DDA

RECORDING REQUESTED BY:)
)
CATHEDRAL CITY REDEVELOPMENT)
AGENCY)
)
AND WHEN RECORDED RETURN TO:)
)
GREEN, DE BORTNOWSKY)
& QUINTANILLA)
a Limited Liability Partnership)
23801 Calabasas Road, Suite 1015)
Calabasas, California 91302)
Attn: Andre de Bortnowsky)

(Space Above for Recorder's Use)

DISPOSITION AND DEVELOPMENT AGREEMENT

GEMSTONE PROPERTIES

CATHEDRAL CITY REDEVELOPMENT AGENCY

DISPOSITION AND DEVELOPMENT AGREEMENT

By and Between

CATHEDRAL CITY REDEVELOPMENT AGENCY

and

GEMSTONE PROPERTIES

TABLE OF CONTENTS

	Page
ARTICLE I	
SUBJECT OF AGREEMENT	1
Section 1.01. Purposes of Agreement.	1
Section 1.02. The Project Area.	1
Section 1.03. Parties to the Agreement.	1
Section 1.04. Prohibition Against Change in Ownership; Assignment of Agreement.	2
ARTICLE II	
DISPOSITION OF PROPERTY	2
Section 2.01. Disposition of Property.	2
Section 2.02. Developer's Obligations.	2
Section 2.03. Property Exchange	2
Section 2.04. Escrow.	3
Section 2.05. Conveyance of Title and Delivery of Possession.	4
Section 2.06. Form of Deed.	4
Section 2.07. Condition of Title.	4
Section 2.08. Conditions for Close of Escrow.	4
Section 2.09. Time and Place for Delivery of Documents to Escrow.	4
Section 2.10. Recordation of the Grant Deed(s) and other Documents.	5
Section 2.11. Taxes and Assessments.	5
Section 2.12. Zoning of the Property Approvals.	5
Section 2.13. Condition of the Property.	5
ARTICLE III	
DEVELOPMENT OF THE PROPERTY	6
Section 3.01. Development by Developer.	6
Section 3.02. Taxes, Assessments, Encumbrances and Liens.	8
Section 3.03. Prohibition Against Transfer.	8
Section 3.04. Right of the Agency to Satisfy Other Liens on the Property after Conveyance of Title.	9
Section 3.05. Certificate of Completion.	9
ARTICLE IV	
USE OF THE SITE	9
Section 4.01. Uses.	9
Section 4.02. Maintenance of the Property.	9
Section 4.03. Obligation to Refrain from Discrimination.	10
Section 4.04. Form of Nondiscrimination and Nonsegregation Clauses.	10

Section 4.05.	Effect and Duration of Covenants.	11
---------------	--	----

ARTICLE V	
DEFAULTS, REMEDIES AND TERMINATION	11
Section 5.01. Defaults - General.	11
Section 5.02. Legal Actions.	12
Section 5.03. Rights and Remedies are Cumulative.	13
Section 5.04. Damages.	13
Section 5.05. Specific Performance.	13
Section 5.06. Rights and Remedies of Termination.	13
Section 5.07. Additional Remedy, Liquidated Damages.	14
ARTICLE VI	
GENERAL PROVISIONS	14
Section 6.01. Notices, Demands and Communications Between the Parties.	14
Section 6.02. Conflict of Interest.	15
Section 6.03. Nonliability of Agency Officials and Employees.	15
Section 6.04. Enforced Delay: Extension of Time of Performance.	15
Section 6.05. Approvals.	15
Section 6.06. Real Estate Commissions.	16
Section 6.07. Indemnification.	16
Section 6.08. Release of Developer from Liability.	16
Section 6.09. Attorneys' Fees.	16
Section 6.10. Dispute Resolution.	16
Section 6.11. Effect.	17
ARTICLE VII	
ENTIRE AGREEMENT, WAIVERS AND AMENDMENT	17
Section 7.01. Entire Agreement.	17
ARTICLE VIII	
TIME FOR ACCEPTANCE OF AGREEMENT BY AGENCY	
AND RECORDATION	17
Section 8.01. Execution and Recordation.	17
EXHIBIT "A" - LEGAL DESCRIPTION OF THE PROPERTY	
EXHIBIT "B" - SCOPE OF DEVELOPMENT	
EXHIBIT "C" - LEGAL DESCRIPTION OF THE EXCHANGE PARCEL	
EXHIBIT "D" - GRANT DEED	
EXHIBIT "E" - CERTIFICATE OF COMPLETION	

THIS AGREEMENT is entered into by and between the Cathedral City Redevelopment Agency, a public body (the "Agency"), and Gemstone Properties, a California Limited Partnership ("Developer"). The Agency and Developer agree as follows:

ARTICLE I

SUBJECT OF AGREEMENT

Section 1.01. Purposes of Agreement.

The purpose of this Disposition and Development Agreement (the "Agreement") is to effectuate redevelopment within the boundaries of the City of Cathedral City (the "City") by providing for the acquisition and redevelopment by Developer of certain real property generally located within the duly established Redevelopment Project Area of the City (the "Project Area"), and which property is more fully described in Exhibit "A" attached hereto and incorporated herein by reference (the "Property"). The acquisition and redevelopment of the Property by Developer pursuant to this Agreement, and the fulfillment generally of the Agreement, are in the vital and best interests of the City, the Agency, and the health, safety, morals, and welfare of the City's residents, and is in accord with the public purposes and provisions of applicable federal, state and local laws and requirements.

Section 1.02. The Project Area.

The Redevelopment Plan for Project Area No. One was approved and adopted by the City Council of the City of Cathedral City by Ordinance No. 39 on November 29, 1982, in accordance with the provisions of the Community Redevelopment Law of the State of California (the "Community Redevelopment Law"). This Agreement shall be subject to the provisions of the Community Redevelopment Law. The Agency represents and warrants that the uses and improvements to be constructed on the Property in accordance with the Scope of Development attached hereto as Exhibit "B" and incorporated herein by reference, (the "Project"), comply with the provisions of the Community Redevelopment Law.

Section 1.03. Parties to the Agreement.

- a. The Agency is a public body, corporate and politic, exercising governmental functions and powers, and organized and existing under Chapter 2 of the Community Redevelopment Law, Health and Safety Code Section 33000, et seq. The principal office of the Agency is located at 68700 Avenida Lalo Guerrero, Cathedral City, CA 92234. As used in this Agreement, the term "Agency" shall be deemed to include the

Agency and any assignee and/or successor to the Agency or to its rights, powers and responsibilities under this Agreement.

b. The Developer is Gemstone Properties, a California Limited Partnership. The principal address of Developer for purposes of this Agreement is 36-400 Auto Park Drive, Cathedral City, California, 92234, Telephone: (760) 324-4557.

Section 1.04. Prohibition Against Change in Ownership; Assignment of Agreement.

The qualifications and identities of the persons and entities comprising Developer are of particular concern to the Agency. It is because of these qualifications and identities of Developer that the Agency has entered into this Agreement with Developer. No voluntary or involuntary successor in interest of Developer shall acquire any rights or powers under this Agreement, except upon written agreement of the Agency.

Except as otherwise provided in this Agreement, Developer shall not assign all or any part of this Agreement prior to the issuance of a Certificate of Completion applicable to the Property without the prior written approval of the Agency.

ARTICLE II

DISPOSITION OF PROPERTY

Section 2.01. Disposition of Property.

In order to facilitate the development of the Project the Agency shall transfer the Property to Developer under the terms of this Agreement, and the attachments hereto. The Property is generally located at the southeast corner of Perez Road and Kyle Road and consists of approximately ninety five thousand (95,000) square feet (2.18 acres).

Section 2.02. Developer's Obligations.

Upon acquisition of the Property, Developer shall cause development of parking facilities thereon to be used for automobile storage in connection with an auto sales and service facility to be developed on the Property or on an adjacent lot.

Section 2.03. Property Exchange

In consideration for the disposition of the Property, the Developer understands and agrees to the following terms:

1. Developer shall cause to be transferred, in fee, to the Cathedral City Redevelopment Agency, that certain portion of property located on the north side of Perez

Road, west of Campbell Street, and more fully identified in Exhibit "C" hereto (the "Exchange Parcel");

2. Developer further agrees that within a period of three (3) years from the date of transfer of the Property, it shall cause the construction and development of an automobile sales and service facility of not less than Ten Thousand (10,000) square feet on the Property or on an adjacent parcel (the "Adjacent Parcel") which is immediately to the south of the subject Property and which is currently owned by Developer.

3. The parties acknowledge that Developer is entering into this transaction in order to facilitate a like-kind property exchange in accordance with the provisions of Section 1031 of the Internal Revenue Code.

Section 2.04. Escrow.

a. The Agency and Developer agree to establish an escrow for the disposition of the Property at Orange Coast Title Company (the "Title Company"), 72624 El Paseo, Suite C-3, Palm Desert, CA 92260 (Telephone No.: (800) 275-4628, Attention: Steve Cox (the "Escrow Agent"). The escrow shall be opened within five (5) days after the execution of this Agreement.

b. The Agency and Developer shall provide and execute such additional escrow instructions consistent with this Agreement as shall be necessary. The Escrow Agent hereby is empowered to act under this Agreement, and, upon indicating its acceptance of this Section in writing, delivered to the Agency and Developer, within five (5) calendar days after the establishment of the escrow, shall carry out its duties as the Escrow Agent hereunder.

c. The Agency and Developer shall deliver to the Escrow Agent all documents necessary for the conveyance of title to the Property and the Exchange Parcel, to the extent provided in this Agreement, in conformity with, within the times, and in the manner provided in this Agreement.

d. The Agency shall pay all escrow fees related to the transfer of the Property from the Agency to Developer and for the transfer of the Exchange Parcel up to a maximum amount of Three Thousand Dollars (\$3,000). The Developer shall pay any and all fees above such amount. All fees paid shall be paid promptly after the Escrow Agent has notified Agency or Developer, as applicable, of the amount of such fees, charges and costs, but not earlier than three (3) days before the date for the conveyance of the Property.

e. The Agency shall timely and properly execute, acknowledge and deliver to the Escrow Agent a grant deed conveying to Developer title to the Property in accordance with the requirements of this Agreement.

- f. With respect to the Property, the Escrow Agent shall cause a Preliminary Title Report to be prepared and issued by the Title Company and shall promptly provide the Agency and Developer with copies thereof. The Agency and Developer must approve the Preliminary Title Report in writing as a condition precedent to close of the escrow.
- g. It is anticipated that the parties shall use the same escrow and follow the procedures set forth herein in order to cause the transfer of the Exchange Parcel to the Agency except that the fee allocation set forth in subsection (d) above shall be deemed applicable to both transactions.

Section 2.05. Conveyance of Title and Delivery of Possession.

- a. Subject to the conditions set forth in Section 2.07 hereof and to any mutually agreed upon written extension of time or extensions otherwise authorized by this Agreement, conveyance to Developer of title to the Property and the Exchange Parcel shall be completed on or prior to One Hundred Twenty (120) days of the opening of escrow (the "Close of Escrow"). The Agency and Developer agree to perform all acts necessary for conveyance of title to the Property and the Exchange Parcel.
- b. Possession of the Property shall be delivered to Developer concurrently with the conveyance of title. Developer shall accept title to and possession of the Property on the date established therefor in this Section.

Section 2.06. Form of Deed.

The Agency shall convey to Developer title to the Property by a grant deed substantially in the form attached hereto as Exhibit "D".

Section 2.07. Condition of Title.

The Title to the Property shall be a marketable title free and clear of encumbrances and exceptions, except for: (a) the agreements, covenants and conditions of this Agreement and the applicable Grant Deed, (b) such pre-existing easements or rights-of-way as may be disclosed by the Preliminary Title Report and approved by the Agency and Developer and (c) real property taxes for the fiscal year in which escrow closes which constitute a lien not yet payable.

Section 2.08. Conditions for Close of Escrow.

The Agency's obligation to convey the Property to Developer and the Close of Escrow for the Property shall be expressly conditioned upon satisfaction or waiver by the Agency of the following condition: Developer shall have executed a Grant Deed to the Exchange Parcel in favor of the Agency and placed the same in escrow for transfer to the Agency and recordation.

Section 2.09. Time and Place for Delivery of Documents to Escrow.

Subject to any mutually agreed upon written extensions of time or any extensions otherwise authorized by this Agreement, the parties shall deposit with the Escrow Agent promptly at such time as such documents have been fully prepared and executed, but in no event later than ten (10) calendar days before the date established for the conveyance of the Property, any and all documents which are required in order for escrow to close in accordance with this Agreement. The grant deed conveying the Property from the Agency to Developer hereunder shall be prepared by the Agency, at the Agency's expense. The legal descriptions regarding the Property will be supplied by the Agency. All other documents required to be recorded in order to permit the Close of Escrow shall be prepared by Developer at its cost and expense.

Section 2.10. Recordation of the Grant Deed(s) and other Documents.

When the parties have deposited into escrow all other documents as required by this Agreement and all conditions for the Close of Escrow have been satisfied, the Escrow Agent shall promptly file for recordation among the land records in the Office of the Riverside County Recorder: (i) the Grant Deed to the Property; (ii) a Grant Deed to the Exchange Parcel in favor of the Agency, and (iii) this Agreement. The Escrow Agent shall thereafter promptly provide a copy of said recorded documents to both parties and shall promptly deliver to Developer a title insurance policy insuring title in conformity with this Agreement.

Section 2.11. Taxes and Assessments.

Ad valorem taxes and assessments, if any, on the Property and taxes upon this Agreement or any rights hereunder levied, assessed or imposed as to any period prior to conveyance of title through the escrow, shall be borne by the Agency.

Section 2.12. Zoning of the Property Approvals.

The Agency represents and warrants that the City's general plan and zoning ordinance will permit the contemplated uses of the Property in accordance with this Agreement, subject to Developer obtaining any and all necessary permits required pursuant to the zoning ordinance. Developer shall apply for all necessary permits applicable to the Project.

Section 2.13. Condition of the Property.

- a. The Property shall be conveyed in an "as is" condition with no warranty or liability, except as otherwise provided herein, express or implied on the part of the Agency as to the condition of the soil, its geology or the presence of known or unknown faults or defects.
- b. The Agency represents that to the best of its knowledge, the Property is free from any toxic substances or hazardous waste. The Agency agrees to indemnify and

hold Developer harmless for any liability which arises from the presence of hazardous wastes or toxic substance which exist on the Property as a direct result of the Agency's actions or failure to act while the Property was in Agency's control.

ARTICLE III

DEVELOPMENT OF THE PROPERTY

Section 3.01. Development by Developer.

- a. Scope of Development. It is the intent of the parties that the Property be developed in accordance and within the limitations established in the Scope of Development set forth in Exhibit "B" attached hereto and incorporated herein by reference.
- b. The City's zoning ordinance will be applicable to the use and development of the Property pursuant to this Agreement. No action by the Agency or the City with reference to this Agreement or related documents shall be deemed to constitute a waiver of any City requirements which are applicable to the Property or to Developer, any successor in interest of Developer or any successor in interest pertaining to the Property, except by modification or variance approved by the City consistent with this Agreement.
- c. The Scope of Development set forth in Exhibit "B" is hereby approved by the Agency upon its execution of this Agreement. The Property shall be developed and completed in conformance with the approved Scope of Development.
- d. The approval of the Scope of Development by the Agency hereunder shall not be binding upon the City Council or the Planning Commission of the City with respect to any approvals of the Project required by such other bodies.
- e. Notwithstanding any provision to the contrary in this Agreement, Developer agrees to accept and comply fully with any and all reasonable conditions of approval applicable to all permits and other governmental actions affecting the Property and consistent with this Agreement.
- f. Developer shall prepare and submit plans, drawings and related documents for the development of the Property consistent with the Scope of Development to the City.
- g. The Agency shall in good faith use its best efforts to cause the City to approve in a timely fashion any and all plans, drawings and documents submitted by Developer hereunder and to cause the City not to impose new conditions inconsistent with: (a) prior plans, drawings and documents approved by the City or (b) the Scope of Development.

h. The costs of developing the Property and of constructing all improvements thereon and adjacent thereto as set forth in the Scope of Development shall be borne by Developer.

i. Developer shall at its expense cause to be prepared, and shall pay any and all fees pertaining to the review and approval thereof by the City, all required construction, planning and other documents reasonably required by governmental bodies pertinent to the development of the Property hereunder including, but not limited to, specifications, drawings, plans, maps, permit applications, land use applications, zoning applications and design review documents.

j. Developer shall obtain any and all necessary approvals prior to the commencement of construction, and Developer shall take reasonable precautions to ensure the safety and stability of surrounding properties during said construction.

k. Developer shall begin construction of the improvements comprising the Project prior to November 1, 2003 and shall complete all construction and development and undertake all obligations and responsibilities of Developer prior to November 2, 2004.

l. Prior to the commencement of any construction of the Project, Developer shall furnish, or shall cause to be furnished, to the Agency duplicate originals or appropriate certificates of public indemnity and liability insurance in the amount of One Million Dollars (\$1,000,000.00) combined single limit, naming the Agency and the City as additional insureds. Said insurance shall cover comprehensive general liability including, but not limited to, contractual liability; acts of subcontractors; premises-operations; explosion, collapse and underground hazards, if applicable; broad form property damage, and personal injury including libel, slander and false arrest. In addition, Developer shall provide to the Agency adequate proof of comprehensive automobile liability insurance covering owned, non-owned and hired vehicles, combined single limit in the amount of One Million Dollars (\$1,000,000.00) each occurrence; and proof of workers' compensation insurance. Any and all insurance policies required hereunder shall be obtained from insurance companies admitted in the State of California and rated at least B+: XII in Best's Insurance Guide. All said insurance policies shall provide that they may not be canceled unless the Agency and the City receive written notice of cancellation at least thirty (30) calendar days prior to the effective date of cancellation. Any and all insurance obtained by Developer hereunder shall be primary to any and all insurance which the Agency and/or City may otherwise carry, including self insurance, which for all purposes of this Agreement shall be separate and apart from the requirements of this Agreement. Any insurance policies governing the Property as obtained by the Agency shall not be transferred from the Agency to Developer. Appropriate insurance means those insurance policies approved by the Agency Counsel consistent with the foregoing. Any and all insurance required hereunder shall be maintained and kept in force until the Agency has issued a Certificate of Completion for the Property.

m. Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof, that there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, race, color, religion, ancestry, national origin, physical handicap, sexual orientation or domestic partnership status in the sale, lease, transfer, use, occupancy, tenure or enjoyment of the Property; nor shall Developer, itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessee or vendees of the Property.

n. Developer shall carry out its development and improvement of the Property and off the Property in conformity with all applicable laws, including all applicable federal and state labor standards and requirements including any prevailing wage or public bidding requirements.

o. Prior to the Close of Escrow for the Property, Developer shall secure or shall cause to be secured, any and all permits which may be required for such construction, development or work by the City or any other governmental agency having jurisdiction thereof.

p. Officers, employees, agents or representatives of the Agency and the City shall have the right of reasonable access to the Property, without the payment of charges or fees, during normal construction hours during the period of construction of the Project for the purposes of this Agreement.

Section 3.02. Taxes, Assessments, Encumbrances and Liens.

Developer shall pay, prior to any delinquency, all real property taxes and assessments assessed and levied on or against the Property subsequent to the close of the escrow and the conveyance to Developer of title to the Property hereunder. Developer shall remove, or shall have removed, any levy or attachment made on any Property, or shall assure the satisfaction thereof, within a reasonable time but in any event prior to a sale of the Property, or any portion thereof, thereunder.

Section 3.03. Prohibition Against Transfer.

a. Prior to the recordation of the Certificate of Completion with respect to the Property as set forth in Section 3.05 of this Agreement, Developer shall not, without prior written approval of the Agency, or except as permitted by this Agreement, (i) assign or attempt to assign this Agreement or any right herein or (ii) make any total or partial sale, transfer, conveyance, lease, leaseback, or assignment of the Property or the improvements thereon.

b. In the absence of specific written agreement or approval by the Agency, no unauthorized sale, transfer, conveyance, lease, leaseback or assignment of the

Property shall be deemed to relieve Developer or any other party from any obligations under this Agreement.

Section 3.04. Right of the Agency to Satisfy Other Liens on the Property after Conveyance of Title.

After the conveyance of title to the Property by the Agency to Developer and prior to the recordation of the Certificate of Completion (referred to in Section 3.05 of this Agreement), and after Developer has had a reasonable time to challenge, cure or satisfy any unauthorized liens or encumbrances on the Property, the Agency shall after sixty (60) calendar days prior written notice to Developer have the right to satisfy any such liens or encumbrances; provided, however, that nothing in this Agreement shall require Developer to pay or make provisions for the payment of any tax, assessment, lien or charge so long as Developer in good faith shall contest the validity or amount thereof, and so long as such delay in payment shall not subject the Property, or any portion thereof, to forfeiture or sale.

Section 3.05. Certificate of Completion.

Following the written request therefor by Developer and the completion of construction of the Project, the Agency shall furnish Developer with a Certificate of Completion for the Property substantially in the form in Exhibit "E" attached hereto.

ARTICLE IV

USE OF THE SITE

Section 4.01. Uses.

Developer covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property or any part thereof, that for a period of ten (10) years commencing on the date of the issuance by City of the Certificate of Occupancy for the Property, the Property will be devoted to uses for automobile storage in conjunction with an auto sales and service facility to be developed on the Property or on the Adjacent Parcel, provided, however, that it remains economically reasonable to continue such use based upon then current economic conditions.

Section 4.02. Maintenance of the Property.

Developer covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property, or any part thereof, that Developer, such successors and such assigns shall maintain in good condition the improvements on the Property, shall keep the Property free from any accumulation of debris or waste material, subject to normal construction job-site conditions, and shall maintain in a neat, orderly, healthy and good condition the landscaping. In the event Developer, or its successors or assigns, fails to perform the maintenance as required herein, the Agency and/or the City shall have the right, but not the obligation, to enter the Property and undertake, such maintenance activities. In such event, Developer shall reimburse the Agency and/or City for all reasonable sums incurred by it for such maintenance activities. Should Developer fail to pay said amount within 30 days

of a written request for reimbursement, Agency may record a lien against the Property for said amount which lien may be foreclosed upon in the manner provided for in the non-judicial or judicial foreclosure of Deeds of Trust.

Section 4.03. Obligation to Refrain from Discrimination.

Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof, to comply with the nondiscrimination policy of Chapter 11 of the Cathedral City Municipal Code, as it may be amended from time to time, and which currently provides that it is the policy of the City of Cathedral City “that it is necessary to protect and safeguard the right and opportunity of all persons to be free from all forms of arbitrary discrimination, including discrimination based upon sex, marital status, race, color, religion, ancestry, national origin, physical handicap, sexual orientation and domestic partnership status.”

Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Property or any part thereof, that there shall be no discrimination against or segregation of any person, or group of persons, on account of sex, marital status, race, color, religion, ancestry, national origin, physical handicap, sexual orientation or domestic partnership status in the sale, lease, transfer, use, occupancy, tenure or enjoyment of the Property; nor shall Developer, itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessee or vendees of the Property.

Section 4.04. Form of Nondiscrimination and Nonsegregation Clauses.

Developer covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property, or any part thereof, that Developer, such successors and such assigns shall refrain from restricting the sale, lease, sublease, rental, transfer, use, occupancy, tenure or enjoyment of the Property (or any part thereof) on the basis of sex, marital status, race, color, religion, ancestry, national origin, physical handicap, sexual orientation or domestic partnership status of any person. All deeds, leases or contracts pertaining thereto shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

- a. In deeds: “The grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of sex, marital status, race, color, religion, ancestry, national origin, physical handicap, sexual orientation or domestic partnership status in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location,

number, use or occupancy of tenants, lessees, subtenants, sublessee, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

b. In leases: "The Lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of sex, marital status, race, color, religion, ancestry, national origin, physical handicap, sexual orientation or domestic partnership status in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants lessees, sublessee, subtenants, or vendees in the premises herein leased."

c. In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of sex, marital status, race, color, religion, ancestry, national origin, physical handicap, sexual orientation or domestic partnership status in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed or leased, nor shall the transferee or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the premises herein transferred." The foregoing provision shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument.

Section 4.05. Effect and Duration of Covenants.

The covenants established against discrimination shall remain in effect in perpetuity.

The Agency is deemed the beneficiary of the terms and provisions of this Agreement and of the covenants running with the land for and in its own rights and for the purposes of protecting the interests of the community. The Agency shall have the right, if such covenants are breached, to exercise all rights and remedies and to maintain any actions or suits at law or in equity or such other proper proceedings to enforce the curing of such breaches to which it or any other beneficiary of such covenants may be entitled, including, without limitation, to specific performance, damages and injunctive relief. The Agency shall have the right to assign all of its rights and benefits hereunder to the City.

ARTICLE V

DEFAULTS, REMEDIES AND TERMINATION

Section 5.01. Defaults - General.

- a. Subject to the extensions of time set forth in Section 6.05 hereof, failure or delay by either party to perform any term or provision of this Agreement shall constitute a default under this Agreement; provided, however, that if a party otherwise in default commences to cure, correct or remedy such default within thirty (30) calendar days after receipt of written notice specifying such default and shall diligently and continuously prosecute such cure, correction or remedy to completion (and where any time limits for the completion of such cure, correction or remedy are specifically set forth in this Agreement, then within said time limits), such party shall not be deemed to be in default hereunder.
- b. The injured party shall give written notice of default to the party in default, specifying the default complained of by the nondefaulting party. Delay in giving such notice shall not constitute a waiver of any default nor shall it change the time of default.
- c. Any failure or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies. Delays by either party in asserting any of its rights and remedies shall not deprive either party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

Section 5.02. Legal Actions.

- a. In addition to any other rights or remedies, either party may institute legal action to cure, correct or remedy any default, to recover damages for any default, or to obtain any other remedy consistent with the purposes of this Agreement. Such legal actions must be instituted in the Superior Court of the County of Riverside, State of California, in any other appropriate court in that County, or in the Federal District Court in the Central District of California.
- b. The laws of the State of California shall govern the interpretation and enforcement of this Agreement.
- c. In the event that any legal action is commenced by Developer against the Agency, service of process on the Agency shall be made by personal service upon the Executive Director or Chairman of the Agency, or in such other manner as may be provided by law.
- d. In the event that any legal action is commenced by the Agency against Developer, service of process on Developer shall be made by personal service on

Don Stewart (or such other Agent for service of process and at such address as may be specified in written notice to the Agency), or in such other manner as may be provided by law, and shall be valid whether made within or without the State of California.

Section 5.03. Rights and Remedies are Cumulative.

Except with respect to any rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

Section 5.04. Damages.

If either party defaults with regard to any provision of this Agreement, the nondefaulting party shall serve written notice of such default upon the defaulting party. If the defaulting party does not diligently commence to cure such default within thirty (30) calendar days after service of the notice of default and promptly complete the cure of such default within a reasonable time, not to exceed ninety (90) calendar days (or such shorter period as may otherwise be specified in this Agreement for any specific default), after the service of written notice of such default, the defaulting party shall be liable to the other party for damages caused by such default.

Section 5.05. Specific Performance.

If either party defaults under any of the provisions of this Agreement, the nondefaulting party shall serve written notice of such default upon such defaulting party. If the defaulting party does not commence to cure the default and diligently and continuously proceed with such cure within thirty (30) calendar days after service of the notice of default, and such default is not cured within a reasonable time thereafter (and where any time limits for the completion of such cure, correction or remedy are specifically set forth in this Agreement, then within said time limits), the nondefaulting party, at its option, may institute an action for specific performance of the terms of this Agreement.

Section 5.06. Rights and Remedies of Termination.

a. Termination by the Agency.

1. Subject to written notice of default which shall specify Developer's default and the action required to cure same and upon thirty (30) calendar days notice to Developer of the Agency's intent to terminate this Agreement pursuant to this Section, the Agency at its option may terminate this Agreement if Developer in breach of this Agreement assigns or attempts to assign this Agreement, or any right therein, or

attempts to make any total or partial sale, lease or leaseback, transfer or conveyance of the whole or any part of the Property or the improvements to be developed thereon in violation of the terms of this Agreement, and Developer does not correct such violation within thirty (30) calendar days from the date of receipt of such notice.

2. Subject to written notice of default, which shall specify Developer's default and the action required to cure same and upon thirty (30) calendar days notice to Developer of the Agency's intent to terminate this Agreement pursuant to this Section, the Agency at its option may terminate this Agreement if Developer does not carry out its other responsibilities under this Agreement and such default is not cured or Developer does not commence and diligently and continuously proceed with such cure within thirty (30) calendar days after the date of receipt of written demand therefor from the Agency.

Section 5.07. Additional Remedy, Liquidated Damages.

If after conveyance of title, Developer (or its successors in interest) shall fail to cause completion of an auto sales and service facility of at least Ten Thousand (10,000) square feet on the Property or on the Adjacent Parcel within three (3) years from the date of receipt of title to the Property. Then Developer shall, at the commencement of each calendar year thereafter for a period of not to exceed five (5) years, pay to the Agency an annual payment of Five Thousand Dollars (\$5,000). Said payment shall be deemed liquidated damages, since actual damages for such failure would otherwise be difficult to estimate or calculate.

ARTICLE VI

GENERAL PROVISIONS

Section 6.01. Notices, Demands and Communications Between the Parties.

- a. Any and all notices, demands or communications submitted by any party to another party pursuant to or as required by this Agreement shall be proper if in writing and dispatched by messenger for immediate personal delivery, or by registered or certified United States mail, postage prepaid, return receipt requested, to the principal office of the Agency and Developer, as applicable, as designated in Section 1.04(a) and Section 1.04(b) hereof.
- b. In addition to the submission of notices, demands or communications to the parties as set forth above, copies of all notices to any party shall also be sent to:

(if to Developer)

Gemstone Properties
36-400 Auto Park Drive

Cathedral City, California 92234
Attn: Don Stewart

(if to the Agency)

Cathedral City Redevelopment Agency
68700 Avenida Lalo Guerrero
Cathedral City, CA 92234
Attn: Donald E. Bradley,
Executive Director

(with copy to)

Green, de Bortnowsky & Quintanilla LLP 23801
Calabasas Road, Ste. 1015
Calabasas, CA 91302
Attention: Andre de Bortnowsky,
Agency Counsel

Section 6.02. Conflict of Interest.

No member, official or employee of the Agency having any conflict of interest, direct or indirect, related to this Agreement and the development of the Property shall participate in any decision relating to the Agreement. The parties represent and warrant that they do not have knowledge of any such conflict of interest.

Section 6.03. Nonliability of Agency Officials and Employees.

No member, official or employee of the Agency shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the Agency or for any amount which may become due to Developer or to its successor, or on any obligations under the terms of this Agreement, except for gross negligence or willful acts of such member, officer or employee.

Section 6.04. Enforced Delay: Extension of Time of Performance.

In addition to specific provisions of this Agreement, performance by either party hereunder shall not be deemed to be in default where delays or defaults are due to war; insurrection; strikes; lockouts; riots; floods; earthquakes; fires; casualties; acts of God; acts of public enemy; epidemics; quarantine restrictions; freight embargoes or lack of transportation; weather-caused delays; inability to secure necessary labor, materials or tools; delays of any contractors, subcontractor or supplier; acts of the other party other than as permitted or required by the terms of this Agreement; acts or failure to act of any public or governmental agency or entity other than as permitted or required by the terms of this Agreement or any other causes beyond the control or without the fault of the party claiming an extension of time to perform. Any extension of time for any such cause hereunder shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within thirty (30) calendar days of the commencement of the cause. Times of

performance under this Agreement may also be extended by mutual agreement in writing by and between the Agency and Developer.

Section 6.05. Approvals.

- a. Approvals required of the Agency or Developer or any officers, agents or employees of either the Agency or Developer, shall not be unreasonably withheld and approval or disapproval shall be given within the time set forth in the Schedule of Performance or, if no time is given, within a reasonable time.
- b. The Executive Director of the Agency is authorized to sign on his own authority amendments to this Agreement which are of routine or technical nature.

Section 6.06. Real Estate Commissions.

The Agency shall not be liable for any real estate commissions, brokerage fees or finder fees which may arise from or related to this Agreement.

Section 6.07. Indemnification.

Developer agrees to indemnify and hold the City and the Agency, and their officers, employees and agents, harmless from and against all damages, judgments, costs, expenses and fees arising from or related to any act or omission of Developer in performing its obligations hereunder. The Agency agrees to indemnify and hold Developer and its officers, employees and agents, harmless from and against all damages, judgments, costs, expenses and fees arising from or related to any act or omission of the Agency in performing its obligations hereunder.

Section 6.08. Release of Developer from Liability.

Notwithstanding any provision herein to the contrary, Developer shall be relieved of any and all liability for the obligations of Developer hereunder with regard to a Property when a Certificate of Completion has been issued by the Agency hereunder, other than any covenants and obligations provided by the grant deed by which the Property is conveyed to Developer hereunder.

Section 6.09 Attorneys' Fees.

If either party hereto files any action or brings any action or proceeding against the other arising out of this Agreement, seeks the resolution of disputes pursuant to Section 6.10 hereof, or is made a party to any action or proceeding brought by the Escrow Agent, then as between Developer and the Agency, the prevailing party shall be entitled to recover as an element of its costs of suit or resolution of disputes pursuant to Section 6.10 hereof, and not as damages, its reasonable attorneys' fees as fixed by the Court or other forum for resolution

of disputes as set forth in Section 6.10 hereof, in such action or proceeding or in a separate action or proceeding brought to recover such attorneys' fees.

Section 6.10. Dispute Resolution.

If any dispute shall arise concerning the provisions of this Agreement including, but not limited to, those provisions set forth in the Scope of Development attached hereto, such dispute shall be submitted to reference pursuant to Code of Civil Procedure Sections 638 to 645.1, inclusive, or, alternatively, to arbitration, on written notice of demand for arbitration ("Notice of Demand") of either party hereto given to the other.

Section 6.11. Effect.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.

ARTICLE VII

ENTIRE AGREEMENT, WAIVERS AND AMENDMENT

Section 7.01. Entire Agreement.

- a. This Agreement shall be executed in four (4) duplicate originals each of which is deemed to be an original. This Agreement includes __ pages and __ attachments, which constitute the entire understanding and Agreement of the parties.
- b. This Agreement integrates all of the terms and conditions mentioned herein or incidental hereto, and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the Property and the development thereof.
- c. None of the terms, covenants, agreements or conditions set forth in this Agreement shall be deemed to be merged with the grant deed conveying title to the Property, and this Agreement shall continue in full force and effect before and after such conveyance until issuance of the Certificate of Completion for the Property.
- d. All waivers of the provisions of this Agreement and all amendments hereto must be in writing and signed by the appropriate authorities of the Agency and Developer.

ARTICLE VIII

TIME FOR ACCEPTANCE OF AGREEMENT BY AGENCY AND RECORDATION

Section 8.01. Execution and Recordation.

- a. Following its execution by Developer and prompt delivery thereafter to the Agency, this Agreement must be approved, executed and delivered by the Agency to Developer within forty-five (45) calendar days after the date of signature by Developer. In the event that the Agency has not approved, executed and delivered the Agreement to Developer within the foregoing period, then this Agreement shall be deemed to be of no further force or effect unless the time for such approval, execution and delivery is extended by written notice from Developer to the Agency. The date of this Agreement shall be the date when the Agreement shall have been approved by the Agency.
- b. Developer and the Agency agree to permit recordation of this Agreement or any portion thereof against the Property in the Office of the County Recorder for the County where the Property is located.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first set forth above.

CATHEDRAL CITY REDEVELOPMENT
AGENCY

By: _____
Donald E. Bradley,
Executive Director

By: _____
Secretary

APPROVED AS TO FORM:

GREEN, DE BORTNOWSKY & QUINTANILLA, LLP
Agency Counsel

GEMSTONE PROPERTIES

By: _____

Name: _____

Its: _____

By: _____

Name: _____

Its: _____

(All Signatures Must Be Notarized)

P:\APPS\WPDATA\CATH\0025-40\DDA\002-1.WPD

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On _____, 2001, before me, the undersigned, a Notary Public in and for said State, personally appeared _____ and _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the Executive Director and Secretary, respectively, of the Cathedral City Redevelopment Agency that executed the within instrument on behalf of said Agency and acknowledged to me that said instrument was authorized to be executed pursuant to a duly adopted resolution of said Agency.

WITNESS my hand and official seal.

Signature: _____

STATE OF CALIFORNIA)
) ss
COUNTY OF _____)

On _____, 2001, before me, the undersigned, a Notary Public
in and for said State, personally appeared _____, personally known to me
(or proved to me on the basis of satisfactory evidence) to be the individual that executed the
within instrument on behalf of _____.

WITNESS my hand and official seal.

Signature: _____

EXHIBIT "A"

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT "B"

SCOPE OF DEVELOPMENT

The Property must be developed in accordance with this Agreement, but subject to the requirements of the Zoning ordinance of the City and any variances or modifications therefrom as approved by the City.

Developer shall cause the development of the Property in accordance with this Agreement as follows:

The Property will be developed as an automobile storage/display lot with appropriate curbing and landscaping in accordance with City guidelines and with the construction of a wall or fence as agreed to by the Agency. In addition, Developer shall cause the development of an automobile sales and service facility of at least Ten Thousand (10,000) square feet on the Property or on the Adjacent Parcel within three (3) years of the date of transfer of the Property to Developer.

EXHIBIT "C"

LEGAL DESCRIPTION OF THE EXCHANGE PARCEL

Location and description of the Exchange Parcel to be transferred to the City of Cathedral City:

Address:

Assessor's Parcel Number: _____

Legal description:

EXHIBIT "D"

RECORDING REQUESTED BY:)
)
CATHEDRAL CITY REDEVELOPMENT)
AGENCY)
)
AND WHEN RECORDED RETURN TO:))
)
GREEN, DE BORTNOWSKY)
& QUINTANILLA)
a Limited Liability Partnership)
23801 Calabasas Road, Suite 1015)
Calabasas, California 91302)
Attn: Andre de Bortnowsky)

(Space Above for Recorder's Use)

GRANT DEED

For valuable consideration, the receipt of which is hereby acknowledged,

THE CATHEDRAL CITY REDEVELOPMENT AGENCY, a public body, of the State of California (the "Grantor"), pursuant to and in accordance with the Community Redevelopment Law of the State of California, hereby grants to Gemstone Properties, a California Limited Partnership (the "Grantee"), the real property (the "Property") legally described in the document attached hereto, labeled Exhibit A, and incorporated herein by this reference.

1. The Property is conveyed subject to the Disposition and Development Agreement entered into between the Grantor and the Grantee, dated _____, 2001 (herein referred to as the "Agreement"). The provisions of the Agreement are incorporated herein by this reference and shall be deemed to be a part hereof as if set forth at length herein.

2. Grantee covenants and agrees for itself, its successors, its assigns, and every successor in interest to the Property, or any part thereof, that Grantee, such successors and such assigns shall refrain from restricting the sale, lease, sublease, rental, transfer, use, occupancy, tenure or enjoyment of the Property (or any part thereof) on the basis of sex, marital status, race, color, religion, ancestry, national origin, physical handicap, sexual orientation or domestic partnership status of any person. All deeds, leases or contracts pertaining thereto shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

a. In deeds: "The grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of sex, marital status, race, color, religion, ancestry, national origin, physical handicap, sexual orientation or domestic partnership status in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed, nor shall the grantee or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessee, or vendees in the premises herein conveyed. The foregoing covenants shall run with the land."

b. In leases: "The Lessee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through them, and this lease is made and accepted upon and subject to the following conditions: That there shall be no discrimination against or segregation of any person or group of persons, on account of sex, marital status, race, color, religion, ancestry, national origin, physical handicap, sexual orientation or domestic partnership status in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of the premises herein leased nor shall the lessee itself, or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants lessees, sublessee, subtenants, or vendees in the premises herein leased."

c. In contracts: "There shall be no discrimination against or segregation of any person or group of persons on account of sex, marital status, race, color, religion, ancestry, national origin, physical handicap, sexual orientation or domestic partnership status in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the premises herein conveyed or leased, nor shall the transferee or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy, of tenants, lessees, sublessees, subtenants, or vendees of the premises herein transferred." The foregoing provision shall be binding upon and shall obligate the contracting party or parties and any subcontracting party or parties, or other transferees under the instrument.

3. No violation or breach of the covenants, conditions, restrictions, provisions or limitations contained in this Grant Deed shall defeat or render invalid or in any way impair the lien or charge of any mortgage, deed of trust or other financing or security instrument permitted by the Agreement; provided, however, that any successor of Grantee to the Property shall be bound by such remaining covenants, conditions, restrictions, limitations and provisions, whether such successor's title was acquired by foreclosure, deed in lieu of foreclosure, trustee's sale or otherwise.

4. The terms and conditions set forth in Article IV of the Agreement and the covenants otherwise contained in this Grant Deed shall remain in effect for a period of _____ (__) years from the date hereof, except that the covenants against discrimination set forth in Article IV of the Agreement shall remain in effect in perpetuity and the covenants set forth in Article III and of the Agreement shall remain in effect until they are satisfied in full.

5. The covenants contained in this Grant Deed shall be binding for the benefit of the Grantor and its successors and assigns, and such covenants shall run in favor of the Grantor for the entire period during which such covenants shall be in full force and effect, without regard to whether the Grantor is or remains an owner of any land or interest herein to which such covenants relate. The Grantor, in the event of any breach of any such covenants, shall have the right to exercise all of the rights and remedies, and to maintain any actions at law or suits in equity or other proper proceedings to enforce the curing of such breach as provided in the Agreement or by law. The covenants contained in this Grant Deed shall be for the benefit of and shall be enforceable only by the Grantor and its successor.

IN WITNESS WHEREOF, the Grantor and Grantee have caused this instrument to be executed on their behalf by their respective officers thereunto duly authorized, this ____ day of _____, 2001.

Grantor:

CATHEDRAL CITY REDEVELOPMENT AGENCY

By: _____
Executive Director

By: _____
Secretary

APPROVED AS TO FORM:

By: _____
Counsel for Grantor

The provisions of this Grant Deed are hereby approved and accepted.

Grantee:

By: _____

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____ before me, _____,
personally appeared _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the
same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the
instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

STATE OF CALIFORNIA)
COUNTY OF _____)

On _____ before me, _____,
personally appeared _____, personally known to me (or proved
to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the
same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the
instrument.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT "E"

RECORDING REQUESTED BY:)
)
CATHEDRAL CITY REDEVELOPMENT)
AGENCY)
)
AND WHEN RECORDED RETURN TO:))
)
GREEN, DE BORTNOWSKY)
& QUINTANILLA))
a Limited Liability Partnership)
23801 Calabasas Road, Suite 1015)
Calabasas, California 91302)
Attn: Andre de Bortnowsky)

(Space Above for Recorder's Use)

CERTIFICATE OF COMPLETION

We, Donald E. Bradley, Executive Director and Donna Velotta, Secretary of the Cathedral City Redevelopment Agency (the "Agency") hereby certify as follows:

Section 1. The improvements required to be constructed in accordance with that certain Disposition and Development Agreement (the "Agreement") dated _____, by and between the Agency and Developer on that certain real property (the "Property") more fully described in Exhibit "A" attached hereto and incorporated herein by this reference, have been completed in accordance with the provisions of said Agreement.

Section 2. This Certificate of Completion shall constitute a conclusive determination of satisfaction of the agreements and covenants contained in the Agreement with respect to the obligations of Developer, and its successors and assigns, to construct the improvements on the Property, excluding any normal and customary tenant improvements and minor building "punch-list" items, and including any and all buildings and any and all parking, landscaping and related improvements necessary to support or which meet the requirements applicable to the building and its use and occupancy on the Property, whether or not said improvements are on the Property or on other property subject to the Agreement, all as described in the Agreement, and to otherwise comply with Developer's obligations under the Agreement with respect to the Property and the dates for the beginning and completion of construction of improvements thereon under the Agreement; provided, however, that the Agency may enforce any covenant surviving this Certificate of Completion in accordance with the terms and conditions of the Agreement and the grant deed pursuant to which the Property was conveyed under the

Agreement. Said Agreement is an official record of the Agency and a copy of said Agreement may be inspected in the office of the Secretary of the Cathedral City Redevelopment Agency located at 68-700 Avenida Lalo Guerrero, Cathedral City, California 92234 during regular business hours.

Section 3. The Property to which this Certificate of Completion pertains is more fully described in Exhibit "A" attached hereto.

DATED AND ISSUED this ____ day of _____, 20__.

By: _____
Executive Director of the
Cathedral City Redevelopment
Agency

**SUMMARY REPORT OF THE REDEVELOPMENT AGENCY
OF THE CITY OF CATHEDRAL CITY CONCERNING THE
PROPOSED DISPOSITION AND DEVELOPMENT
AGREEMENT BY AND BETWEEN THE REDEVELOPMENT
AGENCY OF THE CITY OF CATHEDRAL CITY AND
GEMSTONE PROPERTIES (HEALTH AND SAFETY CODE
SECTION 33433)**

This Summary Report has been prepared pursuant to Health and Safety Code Section 33433 with respect to an agreement to, among other things, enable the disposition of certain real property pursuant to a Disposition and Development Agreement (the "Agreement") by and between the Redevelopment Agency of the City of Cathedral City (the "Agency") and Gemstone Properties (the "Developer").

Background

The Agency has previously acquired certain real property generally located at the southeast corner of Perez Road and Kyle Road, Cathedral City, California (the "Property"). The property is more particularly described in the Agreement. The Agency intends to dispose of the Property to the Developer. The Developer intends to develop the Property as an automobile storage facility related to other auto mall development in accordance with and within the limitations established in the Agreement. In consideration for the disposition of the Property, the Developer shall transfer a parcel of property to the Agency of approximately equal size which property is located at the north side of Perez Road, west of Campbell Street (the "Exchange Parcel").

Cost to the Agency

The original and continuing costs of this Agreement to the Agency are provided below:

Agency's prior acquisition of
the Property (records indicate
this may have occurred in 1986):

Value as of 1987 estimated
to be \$3.00 per square foot

It is believed the Agency paid fair market value for the Property.

Estimated Value

The estimated fair market value of the interest to be conveyed at the highest uses permitted, is approximately \$6.50 per square foot.

Value of Interest Conveyed

It is the Agency's belief that the fair market value of the interest in the Property to be conveyed to the Developer, at the Property's highest and best use permitted under the Redevelopment Plan, is equal to the value of the Exchange Parcel which the Agency shall receive from Developer. Therefore, the transaction constitutes the disposition of the Property to the Developer for fair market value.

Project will Eliminate Blight

The proposed Project will be developed on a parcel of property that is presently vacant and in a blighted condition. Upon completion of the Project the Property will be subject to an increased assessed valuation. The project will also provide much needed parking to the auto mall area and allow the Agency to pursue development of the Exchange Parcel in a manner consistent with the goals of the Redevelopment Plan. The increased assessed valuation and the infrastructure improvements to be completed as part of the Project will help in the elimination of blight. A project of this nature will encourage other economic development and investment in the Project Area thereby also eliminating blighting factors that plague the Project Area.

Dated: _____, 2001

REDEVELOPMENT AGENCY OF THE
CITY OF CATHEDRAL CITY

By: _____
Director

C:\WINNT\PROFILES\PAULWS\TEMPOR~1\OLKBD9\001.WPD
9/18/01 1130 law

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
CATHEDRAL CITY CONSENTING TO THE EXECUTION
AND IMPLEMENTATION OF A DISPOSITION AND
DEVELOPMENT AGREEMENT BY AND BETWEEN THE
REDEVELOPMENT AGENCY OF THE CITY OF
CATHEDRAL CITY AND GEMSTONE PROPERTIES**

WHEREAS, the Redevelopment Agency of the City of Cathedral City (the "Agency") is a redevelopment agency, duly created and activated pursuant to the provisions of Section 33000 et seq. of the Health and Safety Code of the State of California by a duly adopted Ordinance of the City of Cathedral City; and

WHEREAS, the City Council of the City of Cathedral City (the "City") along with the Agency have caused the adoption of a redevelopment plan for Project Area No. 1 (the "Redevelopment Plan"); and

WHEREAS, the Agency is engaged in activities necessary to the effectuate the Redevelopment Plan by providing for the development of certain real property located within the boundaries of the Redevelopment Project Area No. 1 (the "Project Area"); and

WHEREAS, in order to carry out and implement the Redevelopment Plan, the Agency and Gemstone Properties (the "Developer") propose to enter into a Disposition and Development Agreement (the "Agreement"), which provides for the development of certain property as more fully described in the Agreement (the "Property"); and

WHEREAS, the Agency has previously held a duly noticed public hearing pursuant to California Health and Safety Code Section 33431; and

WHEREAS, City Council has held a duly noticed public hearing in accordance with Section 33433 of the California Health and Safety Code pertaining to the Agreement; and

WHEREAS, the Agency has caused the preparation of, and made available for public inspection, a report including a summary of the transaction between the Agency and the Developer ("Summary Report") in accordance with Section 33433 of the California Health and Safety Code; and

WHEREAS, the development of the Property will help eliminate blighting conditions in the Project Area, will increase property values and will aid in the revitalization of the neighborhood surrounding the Property; and

WHEREAS, the Agreement and the development to be undertaken in connection therewith, is consistent with the Agency's Implementation Plan; and

WHEREAS, the consideration for the Property is not less than the fair market value at its highest and best use in accordance with the Redevelopment Plan; and

WHEREAS, based upon the evidence and testimony submitted to the City Council, it is reasonable and appropriate to consent to the Agency's approval of the proposed Agreement between the Agency and the Developer.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CATHEDRAL CITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City Council, having held a duly noticed public hearing in accordance with Health and Safety Code Section 33433, finds and determines that the disposition of the Property to the Developer pursuant to the Agreement will be of benefit to the Agency and the City and will promote redevelopment within the Project Area.

Section 2. The City Council hereby approves the transfer of the Property by the Agency to the Developer in accordance with the terms and conditions contained in the Agreement.

Section 3. The City Council hereby consents to the Agreement between the Agency and the Developer.

PASSED, APPROVED AND ADOPTED this _____ day of _____ 2001.

Mayor

ATTEST:

City Clerk

APPROVED AS TO CONTENT:

City Manager

APPROVED AS TO FORM:

City Attorney

C:\WINNT\PROFILES\PAULWS\TEMPOR~1\OLKBD9\003.WPD
9/18/01 1130 law

EXHIBIT "A"

DISPOSITION AND DEVELOPMENT AGREEMENT
GEMSTONE PROPERTIES

RESOLUTION NO. _____

**A RESOLUTION OF THE REDEVELOPMENT AGENCY OF
THE CITY OF CATHEDRAL CITY APPROVING A
DISPOSITION AND DEVELOPMENT AGREEMENT BY AND
BETWEEN THE CATHEDRAL CITY REDEVELOPMENT
AGENCY AND GEMSTONE PROPERTIES**

WHEREAS, the Redevelopment Agency of the City of Cathedral City (the "Agency") is a redevelopment agency, duly created and activated pursuant to the provisions of Section 33000 et seq. of the Health and Safety Code of the State of California by a duly adopted Ordinance of the City of Cathedral City; and

WHEREAS, the City Council of the City of Cathedral City (the "City") along with the Agency have caused the adoption of a redevelopment plan for Project Area No. 1 (the "Redevelopment Plan"); and

WHEREAS, the Agency is engaged in activities necessary to the effectuate the Redevelopment Plan by providing for the development of certain real property located within the boundaries of the Redevelopment Project Area No. 1 (the "Project Area"); and

WHEREAS, in order to carry out and implement the Redevelopment Plan, the Agency and Gemstone Properties (the "Developer") propose to enter into a Disposition and Development Agreement (the "Agreement"), which provides for the development of certain property as more fully described in the Agreement (the "Property"); and

WHEREAS, the Agency has held a duly noticed public hearing pursuant to California Health and Safety Code Section 33431; and

WHEREAS, City Council has held a duly noticed public hearing in accordance with Section 33433 of the California Health and Safety Code pertaining to the Agreement; and

WHEREAS, the Agency has caused the preparation of, and made available for public inspection, a report including a summary of the transaction between the Agency and the Developer ("Summary Report") in accordance with Section 33433 of the California Health and Safety Code; and

WHEREAS, the development of the Property will help eliminate blighting conditions in the Project Area, will increase property values and will aid in the revitalization of the neighborhood surrounding the Property; and

WHEREAS, the Agreement and the development to be undertaken in connection therewith, is consistent with the Agency's Implementation Plan; and

WHEREAS, the consideration for the Property is not less than the fair market value at its highest and best use in accordance with the Redevelopment Plan; and

WHEREAS, based upon the evidence and testimony submitted to the Agency, it is reasonable and appropriate to approve the proposed Agreement between the Agency and the Developer.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE CATHEDRAL CITY REDEVELOPMENT AGENCY HEREBY RESOLVES AS FOLLOWS:

SECTION 1. The Agency, having held a duly noticed public hearing in accordance with Health and Safety Code Section 33431, finds and determines that the disposition of the Property to the Developer pursuant to the Agreement will be of benefit to the Agency and the City and will promote redevelopment within the Project Area.

SECTION 2. The Agency hereby approves the Agreement and the transfer of the Property to the Developer in accordance with the terms and conditions contained in the Agreement.

SECTION 3. The Executive Director of the Agency is further authorized to execute the Agreement and any and all other documents, agreements and certifications required or desirable to consummate the terms and conditions of the Agreement.

PASSED, APPROVED AND ADOPTED this _____ day of _____ 2001.

Agency Chair

ATTEST:

Agency Secretary

APPROVED AS TO CONTENT:

Economic Development Director

APPROVED AS TO FORM:

Agency Counsel

REVIEWED:

Executive Director

EXHIBIT "A"

DISPOSITION AND DEVELOPMENT AGREEMENT
GEMSTONE PROPERTIES

**CITY OF CATHEDRAL CITY
CITY COUNCIL AGENDA**

SUBJECT: Ritz Carlton Golf Course: Parcel Map PM 29719: Approval of Final Parcel Map.

DEPARTMENT: Engineering

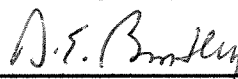
MEETING DATE: September 26, 2001

DEADLINE FOR ACTION: N/A

CONTACT PERSON: Dave Faessel, City Engineer

APPROVED:


Department


City Manager


Finance

RECOMMENDATION:

That the City Council approve the final map of Parcel Map 29719, accept the dedications made to the City on the final map, and authorize execution of the performance agreement.

BACKGROUND/ANALYSIS:

The tentative map for Parcel Map 29719, located along the East Cathedral Canyon wash, was approved by the City Council in July of 2000. The tentative map consists of 11 parcels, owned by the City of Cathedral City, the Redevelopment Agency of the City of Cathedral City, and the City of Rancho Mirage. The purpose of the map is to create several parcels to facilitate the development and construction of a golf course.

The City has already executed two leases with the golf course developer covering the land to be developed. The parcels being created outside of the proposed golf course will remain vacant. Several of these, located within Rancho Mirage, have conservation easements on the parcels.

The total area within the map is 987.8 acres. The four parcels being developed as a golf course total about 157 acres.

This map divides land within both the City of Cathedral City and Rancho Mirage. Consequently, both cities must approve and sign the final map.

Final Map: The developer's (lessee's) engineer has prepared a final map, which is ready for final map approval. The land has been surveyed and the final map has been submitted and reviewed. The map is in conformance with the tentative map and with the State Subdivision Map Act. All required securities have been posted to guarantee completion of all improvements, and the developer has executed a performance agreement.

Dedications: The map dedicates easements along the channel levee for emergency access and for public services. At the Council and Agency meeting of September 10, 2001, the Council and Board authorized the dedication of the easements to the City. Staff recommends that these offers be accepted.

Conditions: A number of conditions were applied to this map and to the related Conditional Use Permit. Other conditions from various leases, development agreements, and other agreements between the various parties involved also have been applied to the approval of this map. All of these have been reviewed and those pertinent to the final map approval have been complied with.

Subdividers: The City of Cathedral City and its Redevelopment Agency are land owners in the parcel map and as such are subdividers, per the State Subdivision Map Act. At the Council and RDA meeting of September 10, 2001, the Council and Agency Board authorized their respective officers to sign this map as subdividers.

FISCAL IMPACT:

Approval and recordation of this map will allow the construction of the golf course. Construction and use of the course will initiate lease payments to the City, per the terms of the existing leases with the developer.

ATTACHMENTS:

None



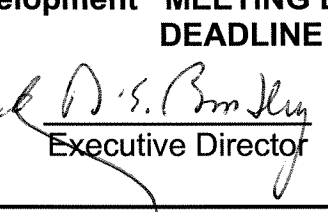
**REDEVELOPMENT AGENCY
CITY OF CATHEDRAL CITY
AGENDA REPORT**

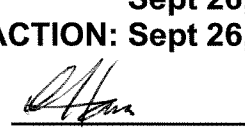
**SUBJECT: REQUEST FOR FUNDING FOR THE PURCHASE AND INSTALLATION OF
AN ELECTRONIC READER BOARD BY THE CATHEDRAL CITY AUTO
CENTER DEALERS ASSOCIATION**

DEPARTMENT: Economic Development **MEETING DATE:** Sept 26, 2001
CONTACT PERSON: Paul Shillcock **DEADLINE FOR ACTION:** Sept 26, 2001

APPROVED:


Department


Executive Director


Finance

RECOMMENDATION:

Approve the request by the Cathedral City Auto Dealers Association to reimburse the Association for all costs associated with the purchase and installation of a "reader board" to be erected at the Date Palm Drive exit of the I-10 freeway to a maximum amount of \$656,520.

BACKGROUND:

In April of 1999, the Cathedral City Auto Center Dealers Advertising Association (Auto Center Dealers Association) contacted the City stressing the need for a Reader Board sign at I-10 and Date Palm Drive. The proposal was that all auto dealers in the City would be included on the sign and, if the City were to pay to have the sign erected, the dealers would share equally in the cost of upkeep and maintenance.

At the regularly scheduled meeting of June 23, 1999, the Council approved the concept of reimbursing the Auto Center Dealers Association for the cost of erecting the sign. It was agreed that the Auto Center Dealers Association would contract for the erection of the reader board and the Agency would reimburse these costs over a ten-year period. The dollar amount of the commitment at that time was \$650,000.

The Dealers Association caused the creation of a CITYWIDE Dealers Association in accordance with stipulations from the City. However the Dealers Association was not able to obtain all the necessary signatures to initiate construction before interest rates began rising and, consequently, requested additional funds be pledged by the City at the City Council meeting of August 9, 2000.

City Council approved the additional funding, in the total amount of \$656,520, but the Dealers Association was not able to obtain the necessary commitments from the individual dealers to move forward.

At the March 28th City Council meeting, during the Study Session portion, a presentation was made by the Auto Center Dealers Association relative to their desire to erect the reader board on East Palm Canyon at the Auto Center. The proposal, presented by Rod Wilson of Electra-Media, Inc., outlined a plan whereby the Agency would reimburse the Auto Center Dealers Association for the cost of the sign, the maintenance over a ten-year period, and the programming costs incurred in providing the messages for the reader board. In return the City would have the ability to use the sign to announce City events or activities for 10% of the total hours of operation each month.

Staff had concern relative to the precedent that would be set by approving the request. While the sign, if located at the I-10 interchange provided value to all the auto dealers in the City, the proposed location on East Palm Canyon was of no value to dealers not located in the Auto Center itself. Staff believed that any assistance provided should be such that all dealers would benefit in some manner.

The original proposal for a sign on the I-10 Freeway indicated that reader boards had been found to increase sales volume by 15% for auto centers that installed them. This increase in auto sales was to compensate the City for the funding requested and maintain the dominance of the Cathedral City Auto Center in the valley. Staff questioned the impact on sales at the proposed location on East Palm Canyon where most of the traffic was local in nature and the drivers were most probably aware of the existence of the Auto Center.

At the September 12th Auto Center Dealers Association meeting the determination was made that the impact of a reader board might indeed be greater on the I-10 freeway than on East Palm Canyon Drive. When the proposal was made to locate the board on East Palm Canyon Drive, Jessup Auto Plaza was only starting construction. Now that the dealership is completed and operating, there is little doubt in any driver's mind that there is an auto mall straddling East Palm Canyon Drive. It was also stated that commuting patterns have changed over the last several years and more drivers are avoiding the East Palm Canyon corridor as commuting times increase. It is believed that many local commuters now use the I-10 freeway and a freeway oriented reader board would be an excellent way to gain additional exposure for the Auto Center.

For these reasons, the Auto Center Dealers Association is requesting consideration of assistance in the purchase and installation of a reader board at the Date Palm/ I-10 interchange.

The design at the proposed location does raise planning/zoning issues. A separate report is attached outlining those issues.

The matter before the Agency is whether to provide financial support for the proposed reader board. If approved, the Agency's action will NOT constitute an approval or determination of any zoning or planning issues, which will be considered by the appropriate City bodies when applications are made to the City. Also, it is NOT a determination that such a sign would be permitted under the Outdoor Advertising Act (Business and Professions Code Section 5200 *et seq.*).

Use of redevelopment funds for this project is permitted under the Community Redevelopment Act in that the sign will be located within a project area, and will support the Agency's redevelopment efforts. This will result in increased revenues to the City and thereby assist in the elimination of blight.

If the action is approved, the Agency will enter into an agreement with the Cathedral City Auto Dealers Association, which will be submitted for final Agency Board approval at a future meeting.

FISCAL IMPACT:

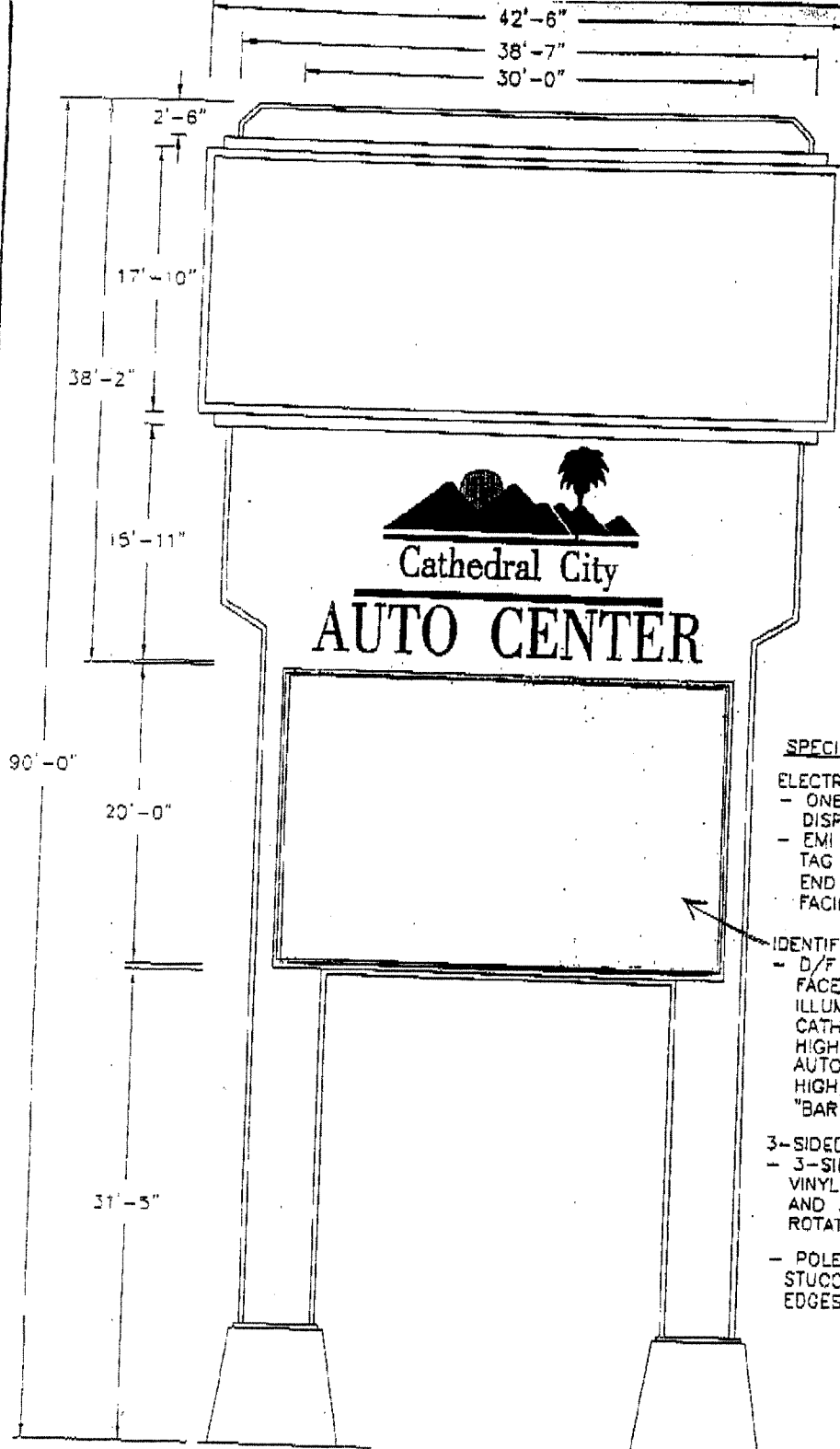
The request by the Auto Center Dealers Association would be for the amount approved in August of 2000. The request at that time was for \$656,520 over a ten-year period translating to \$65,652 per year.

ALTERNATIVES:

Work with the Auto Center Dealers Association to create a public-private partnership where the full burden for the purchase and construction of the reader board does not rest with the Redevelopment Agency.

ATTACHMENTS:

Proposal from Electra-Media, Inc.



METAL DECORATIVE ROOF CAP
WITH WHITE STUCCO FINISH.

SPECIFICATIONS:

ELECTRONIC MESSAGE CENTER:

- ONE DOUBLE FACE ELECTRONIC DISPLAY WITH 40 x 96 - 36100
- EMI AND CAL TRANS STATE PERMIT TAG & LABEL TO BE MOUNTED ON END OF ELECTRONIC DISPLAY FACING FREEWAY.

IDENTIFICATION DISPLAYS:

- D/F IDENTIFICATION DISPLAY WITH FLEX FACES, 3M VINYL COPY AND INTERNAL ILLUMINATION.
- CATHEDRAL CITY LETTERS ARE 24" HIGH, RED.
- AUTO CENTER LETTERS ARE 40" HIGH, RED.
- "BARS" COLOR TO BE DETERMINED.

3-SIDED ROTATING DISPLAYS:

- 3-SIDED CHANGEABLE DISPLAY WITH 3M VINYL LOGO'S AS PER FACTORY COLORS AND SPECIFICATIONS. (SIX LOGOS PER ROTATING FACE) EXTERNAL ILLUMINATION.

- POLE COVERS HAVE A WHITE STUCCO FINISH W/ RAISED EDGES.

© COPYRIGHT 1998 DAKTRONICS, INC.

ELECTRA-MEDIA
AUTHORIZED DAKTRONICS DEALER (310)725-0816

DAKTRONICS, INC. BROOKINGS, SD 57006

PROJ: CATHEDRAL CITY AUTO CENTER/ CATHEDRAL CITY, CA

TITLE: 4096-3810C

DES. BY:

DRAWN BY: DKJELDE

DATE: 10-23-98

REV.	DATE	DESCRIPTION	BY	APPR.
1	06-16-99	CHANGED W.C. FROM 32x80 TO 40x96 INCREASED 3-SIDED PANEL/UPDATED DIM. AND NOTES	OKK	

APPR. BY:

SCALE: 1"=130'

7000-P08A-108836



PLANNING DEPARTMENT MEMORANDUM

To: Mayor and Members of the City Council

From: Cynthia S. Kinser, City Planner *CK*

Date: September 26, 2001

Subject: Supplemental Information Regarding the Proposed Auto Center Freeway Sign

As noted in the staff report regarding the proposed Auto Center freeway-oriented sign, the action requested of the Council is in regards to financing the sign, not the approval of the sign.

The Council should be aware of the following with regard to approval of the sign:

- The City's Zoning Ordinance provides that a "freeway-oriented" sign is permitted with the approval of a Design Review application by the Planning Commission. A Design Review application is reviewed by the Development Services Committee and the Architectural Review Committee, with both Committees making a recommendation to the Planning Commission. A Design Review application is a legislative item.
- A freeway-oriented sign is for the purpose of catering to the traveling public.
- The sign must be within a 1,000 foot radius of the Date Palm/I-10 interchange.
- The sign can have a maximum height of 50 feet; however, an additional 5 feet in height can be added for each additional business advertised, not to exceed a maximum height of 75 feet. In addition, line-of-sight studies are required to be submitted to demonstrate to the Planning Commission the need for the proposed height.
- The actual sign area size is to be determined by the Planning Commission, but in no case may it exceed 150 square feet per advertised business.
- The sign can only have internal illumination (meaning no exterior spot lights).

Though the City Council is not being asked to approve the actual sign, it should be noted that the proposed sign has been identified with a height of 90 feet, which is inconsistent with the above standards.

If the sign was reduced to 75 feet in height, then the sign could be reviewed and approved as described above. However, in order for the City to approve a 90 foot sign, the City's Zoning Ordinance would first need to be amended. The amendment would require a public hearing with both the Planning Commission and City Council. The Council should be aware that this could be a controversial matter.

Memo to City Council
Re: Freeway-Oriented Sign
September 26, 2001
Page 2

The Planning Commission has had numerous discussions with regards to height associated with monopoles (cellular towers). A number of requests have been submitted with proposed heights of 70 to 80 feet. However, the Planning Commission has been very concerned about the visual impact of such structures and has only approved structures that have a maximum height of 65 feet.

Additionally, the Council may recall the controversy last year with regard to the Agua Caliente Casino sign at the Ramon/I-10 interchange, which was originally proposed at 90 feet and due to public outcry an environmental assessment was prepared, along with public meetings that ultimately resulted in height of 70 feet.

As the matter before the Council is only with regard to the financing of the sign, staff will not make a recommendation with regard to the height matter in this memorandum. However, the Council should be aware of the aforementioned in its consideration of financing this future sign.

Alternative

There is another procedure identified in the Zoning Ordinance for an Auto Center Sign, which states:

“Signs identifying the Auto Center are permitted. Location, height, and dimensions shall be to the specifications approved by the Cathedral City Redevelopment Agency.”

Older versions of the City’s Zoning Ordinance had provisions that the auto center sign was to be in or adjacent to the Auto Center. However, the current ordinance does not identify a location restriction. Therefore, it could be interpreted that the above regulation could be followed rather than the previous discussion. Based on the language provided a sign permit could be submitted to staff for review and approval.

Though this is a valid alternative, staff has discussed that if the sign is addressed at a staff level, it would be more appropriate to be reviewed and approved by the City Planner. Further, the City Planner would most likely recommend an environmental assessment to be conducted, and at a minimum a review through the Architectural Review Committee.

c: Donald E. Bradley, City Manager

**CITY OF CATHEDRAL CITY
CATHEDRAL CITY REDEVELOPMENT AGENCY
AGENDA REPORT**

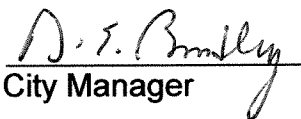
SUBJECT: Capital Improvement Program for Fiscal Year 2001-2002 Approving Resolutions for the City and for the Redevelopment Agency

DEPARTMENT: Engineering **MEETING DATE:** September 26, 2001

CONTACT PERSONS: Dave Faessel, City Engineer and Susan Moeller, RDA Director

APPROVED:


Departments


City Manager


Finance

RECOMMENDATION: Adopt City Resolution and Redevelopment Agency Resolution implementing the Capital Improvement Program for Fiscal Year 2001-2002 as outlined in the proposed 2001-2002 Capital Improvement Program book.

BACKGROUND/ANALYSIS: Over the past several months, the Engineering Department and the Redevelopment Agency (RDA), with the help of other City Departments, have thoroughly reviewed the capital improvement needs of the City and the RDA. Previously approved projects have been reviewed and proposed to be continued as is, expanded, or eliminated. All funding sources were verified and remaining balances were determined. New Fiscal Year 2001-2002 funding sources were identified. Then all available funds were applied to prior year approved projects and proposed new projects. Finally, proposed projects which are needed but do not have funding yet available were identified. The Proposed Capital Improvement Program for 2001-2002 was discussed at two Council/RDA study sessions and appropriate changes were made to reflect the desires of the Council/RDA Board. The book outlining the final proposed projects was distributed in late August.

FISCAL IMPACT:

City: Prior Year funding in the amount of \$5,039,571 and current year funding of \$13,026,472 (including \$3,705,585 to augment the prior year projects and \$9,320,887 for new projects). These funds are drawn from various funds, including the General Fund, Assessment Districts, grants, Federal, State, and County funds, as outlined in the Resolution.

RDA: Non-housing projects: \$227,066 of current year funding (being the available amount not allocated to operations) plus \$4,095,607 in prior year funding. Housing projects: \$5,333,049 of current year funding plus \$829,469 of prior year funding.

RESOLUTION NO. _____

**RESOLUTION BY THE CITY COUNCIL OF THE CITY OF CATHEDRAL
CITY, CALIFORNIA, ADOPTING A CAPITAL IMPROVEMENT
PROGRAM (CIP) FOR FISCAL YEAR 2001-2002.**

WHEREAS, the City Council has reviewed the Proposed 2001-2002 Fiscal Year Capital Improvement Program; and

WHEREAS, the Cathedral City Planning Commission has reviewed the Proposed 2001-2002 Fiscal Year Capital Improvement Program.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Cathedral City as follows:

SECTION 1. The Capital Improvement Program, as shown below is hereby adopted.

SECTION 2. The Capital Improvement Program for Fiscal Year 2001-2002 is hereby adopted as the Capital Budget for Fiscal Year 2001-2002 with funds appropriated to the various projects as shown below. Staff is hereby directed to establish Capital Projects Accounts, including as necessary, reappropriation of existing projects, consistent with the Fiscal Year 2001-2002 Capital Budget adopted herein.

SECTION 3. The City Clerk shall Certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions of the City; and shall make a minute of passage and adoption thereof in the records of the proceedings of the City Council, in the minutes of the meeting at which Resolution is passed and adopted.

PASSED, APPROVED AND ADOPTED this 26th day of September, 2001.

Mayor George Stettler

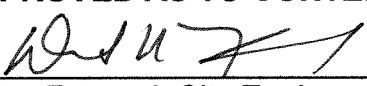
ATTEST:

Donna M. Velotta, City Clerk

APPROVED AS TO FORM:

Steven B. Quintanilla, City Attorney

APPROVED AS TO CONTENT:



Dave Faessel, City Engineer

REVIEWED:

Donald E. Bradley, City Manager

[illegible]

Prior Year and Carry-over Projects

1-5	8685	Cove Area Assessment District	241					\$36,727	\$10,000				\$0	\$46,727
1-6	8909	MISC. Traffic Signal Modifications	233,322					\$70,000	\$0				\$0	\$70,000
1-7	8918	Neighborhood Traffic Program	241,233					\$8,598	\$10,000				\$0	\$18,598
1-8	8954	Traffic Engineering Assistance	322					\$10,722	\$10,000				\$0	\$20,722
1-9	8691	East Palm Canyon Bridge Widening at West Cathedral Channel	331					\$1,764,000	\$0				\$0	\$1,764,000
1-10	8948	Downtown Pedestrian Bridge	243,242,5B821					\$145,311	\$0				\$0	\$145,311
1-11	8691	Date Palm Bridge Rehabilitation	243,Federal STP Formula					\$150,000	\$0				\$0	\$150,000
1-12	8687	Via De Anza, south of 33rd Avenue, reconstruction	241-911-4764					\$32,083	\$15,000				\$0	\$47,083
1-12A	8689	Buddy Rogers Avenue Street Extension, east of Date Palm Drive	243					\$36,685	\$0				\$0	\$36,685
1-13	8695	Date Palm Median Islands Landscaping and Lighting	243					\$383,017	\$0				\$0	\$453,017
1-14	8699	Dinah Shore Drive (Mid Valley Parkway) Projects: Dinah Shore Bridge to Cathedral Date Palm	241,243,233,313					\$21,973	\$70,000				\$0	\$91,973
1-15	8634	East Palm Canyon Widening at Plaza Motors	243					\$10,368	\$35,000				\$0	\$45,368
1-16	8635	Ramon Road Median Islands Landscaping and Lighting	243,313					\$125,000	\$0				\$0	\$125,000
1-17	8916	MISC. Street Projects	241-911-4764					\$50,000	\$0				\$0	\$50,000
1-18	8930	Slurry Street in Outpost Area	243					\$65,952	\$0				\$0	\$65,952
1-19	8937	Varner Road-Edom Hill Road Intersection Improvement	243,233					\$135,006	\$0				\$0	\$135,006
1-20	8941	Sidewalk Projects	243					\$0	\$0				\$0	\$0
1-21	8946	A.D.A. Compliance Projects	233					\$179,766	\$0				\$0	\$179,766
1-22	8949	Dinah Shore Pedestrian Crossing, west of Date Palm Drive	312, ISTEIA					\$98,914	\$0				\$0	\$98,914
1-23	8959	East Palm Canyon Pavement Rehabilitation Project: from Cathedral Canyon Drive to Bankside	ISTEA					\$602,479	\$0				\$0	\$602,479
1-24	8951	East Palm Canyon Pavement Rehabilitation Project: from Camelot Park to west City Limits	241, 243					\$85,082	\$10,000				\$0	\$95,082
1-25	8988	Ramon Road Corridor Project	241, 243					\$2,014,569	\$40,000				\$0	\$2,014,569
1-26	8645	Drainage Basins	243,251,Infra,Loan					\$9,500	\$30,000				\$0	\$39,500
1-27	8921	Terrace/Cove Area Drainage Project	233					\$166,850	\$0				\$0	\$166,850
1-28	8940	Cathedral Canyon Culvert at Whitewater River	233					\$300,000	\$0				\$0	\$300,000
1-29	8957	Rio Del Sol Storm Drain	281					\$57,310	\$26,866				\$0	\$84,176
1-30	8639	Old County Library Purchase and Renovation	100-8928-8902					\$25,000	\$0				\$0	\$25,000
1-31	8928	City General Plan Update	See New Project					\$4,579	\$0				\$0	\$4,579
1-32	8935	Civic Center Construction	312					\$50,000	\$0				\$0	\$50,000
1-33	8947	Eagle Canyon Clean Up	313					\$178,104	\$881,081				\$0	\$1,059,185
1-34	8969	Police Radio Systems	100					\$5,209	\$0				\$0	\$5,209
1-35	8986	Annexation of Area south of Varner Road, west to Palm Drive	232, Edison rule 20A					\$15,000	\$0				\$0	\$15,000
1-36	8989	Utility Undergrounding - Eligible Projects	251					\$372,400	\$0				\$0	\$372,400
1-37	8995	Fire Station 411 Modifications	243-9732-8802					\$185,749	\$0				\$0	\$185,749
1-38	8972	Formation of Landscape and Lighting Districts	331-317-4416					\$48,531	\$0				\$0	\$48,531
1-39	8987	Park Land Acquisition - Century Park Area	331-911-4416					\$52,727	\$0				\$0	\$52,727
1-40	9146	La Pasada Area Park / School Site Acquisition	331-911-4416										\$0	
1-41	9147	La Pasada Area Park Site Improvement	331-911-4416										\$0	
Terminated Projects														
1-42	8689	Buddy Roger Avenue Street Extension, east of Date Palm Drive	243					\$0	\$0				\$0	\$0
1-43	8680	Judy Lane Drainage	241					\$0	\$0				\$0	\$0
1-44	8953	Signal Coordination : East Palm Canyon	242,312,Federal ISTEIA					\$0	\$0				\$0	\$0
1-45	8964	Signal Coordination : Ramon Road	242,312,Federal ISTEIA					\$0	\$0				\$0	\$0
1-46	8967	Management Information Systems	313					\$0	\$0				\$0	\$0
1-47	8974	Ringside Boxing	251					\$0	\$0				\$0	\$0

Adjustment Codes :
T : Project terminated; funds transferred to Fund Balance for reallocation.
P : Some Funding was transferred to Fund Balance.
N : New funding added to prior and for current years.

Capital Improvement Proposed New Projects Summary

Page Number	Project Number	Project Name	Funding Source (Fund number)	Adjustment Code	Estimated Cost	2001-2002 Funding	2002-2003 Funding	2003-2004 Funding	2004-2005 Funding	2005-2006 Funding	TOTAL
Proposed New Projects											
2-4	XXXX	Judy Lane 35th Avenue area assessment district	243		\$30,000	\$30,000	\$0	\$0	\$0	\$0	\$30,000
2-5	XXXX	Century Area Assessment District AD 2000-01	Bond Proceeds		\$3,085,600	\$3,085,600	\$0	\$0	\$0	\$0	\$3,085,600
2-6	XXXX	Pedestrian Signal at Perez Road at Kyle	322		\$35,000	\$35,000	\$0	\$0	\$0	\$0	\$35,000
2-7	XXXX	Ramon Road - Desert Vista Road Signal Modification	322		\$15,000	\$15,000	\$0	\$0	\$0	\$0	\$15,000
2-8	XXXX	City-wide Traffic Signal Modifications for pedestrian Operations	322		\$75,000	\$75,000	\$0	\$0	\$0	\$0	\$75,000
2-9	XXXX	Upgrade Selected Traffic Signals to LED Signal Lamps	233, Edison Grant, Webb Foundation grant		\$155,000	\$155,000	\$0	\$0	\$0	\$0	\$155,000
2-10	XXXX	Traffic Accident Inventory	OTS Grant, 233		\$44,000	\$0	\$0	\$0	\$0	\$0	\$44,000
2-11	XXXX	Ramon Road Bridge Repairs (with Palm Springs)	241 - Congestion Relief		\$25,000	\$25,000	\$0	\$0	\$0	\$0	\$25,000
2-12	XXXX	Widening of Date Palm Bridge over the UPRR Railroad Tracks, South of I-10	Fed HUD ECI Grant, CVAG		\$1,500,000	\$1,500,000	\$0	\$0	\$0	\$0	\$1,500,000
2-13	XXXX	Union Pacific Railroad Bridge at Morongo Creek	CWMD funds		\$550,000	\$550,000	\$0	\$0	\$0	\$0	\$550,000
2-14	XXXX	Ramon Road Widening and Rehabilitation - Date Palm Dr. to East City Limit	243, 241 Congestion Relief, CVAG STIP		\$1,834,000	\$1,834,000	\$0	\$0	\$0	\$0	\$1,834,000
2-15	XXXX	Perez Road Pavement Rehabilitation	241, 243, Gas Tax Congestion		\$510,000	\$510,000	\$0	\$0	\$0	\$0	\$510,000
2-16	XXXX	Date Palm Drive Pavement Rehab and Improvement Project	243, STP Formula		\$437,000	\$0	\$0	\$0	\$0	\$0	\$437,000
2-17	XXXX	Blank Page	347		\$0	\$0	\$0	\$0	\$0	\$0	\$0
2-18	XXXX	Assessment District AD 88-3 (Panorama Area Rubber Slurry)	346		\$650,000	\$650,000	\$0	\$0	\$0	\$0	\$650,000
2-19	XXXX	Assessment District AD 88-2A Area Rubber Slurry	243		\$275,000	\$275,000	\$0	\$0	\$0	\$0	\$275,000
2-20	XXXX	City-Wide Street Striping Project	County of Riverside contribution		\$50,000	\$50,000	\$0	\$0	\$0	\$0	\$50,000
2-21	9735	Edom Hill Road Repair	SB 821, 243-8941, 346-911-8601		\$30,000	\$30,000	\$0	\$0	\$0	\$0	\$30,000
2-22	XXXX	30th Avenue Sidewalk Construction Project	233		\$36,000	\$36,000	\$0	\$0	\$0	\$0	\$36,000
2-23	XXXX	Downtown Core Street Paving	243, 241, 233, 711-3327, 232-8989, 243-8946, CVAG		\$60,000	\$60,000	\$0	\$0	\$0	\$0	\$60,000
2-24	XXXX	Dinah Shore Drive (Mid Valley Parkway) Project : Dinah Shore Bridge to Plumley	243-8941, Housing, SB 821		\$1,725,800	\$78,000	\$78,000	\$78,000	\$78,000	\$78,000	\$312,000
2-25	XXXX	Agua Caliente School Sidewalk Project	711-3327		\$28,500	\$28,500	\$0	\$0	\$0	\$0	\$28,500
2-26	8945	Bus Turnouts	312 from Civic construction fund		\$65,137	\$65,137	\$0	\$0	\$0	\$0	\$65,137
2-27	XXXX	City Hall Office Space Expansion	242, AQMD MSRC grant, Rancho Mirage share		\$80,550	\$80,550	\$0	\$0	\$0	\$0	\$80,550
2-28	XXXX	CNG Filling Station	Budgeted in City Operating 100 fund		\$25,000	\$25,000	\$0	\$0	\$0	\$0	\$25,000
2-29	XXXX	GASB Compliance Program	100-3341, 100, Council contingency fund		\$39,100	\$39,100	\$0	\$0	\$0	\$0	\$39,100
2-30	XXXX	Patriot park Sculpture Garden	Big League Dreams 100-3340		\$4,000	\$4,000	\$0	\$0	\$0	\$0	\$4,000
2-31	XXXX	Dog Park	243, 233, 313		\$75,000	\$75,000	\$0	\$0	\$0	\$0	\$75,000
2-32	XXXX	Infrastructure and Fee Study	233		\$150,000	\$35,000	\$0	\$0	\$0	\$0	\$185,000
2-33	XXXX	Red Light Traffic Enforcement Camera System									
Subtotal for proposed new projects:					\$11,667,487	\$9,320,887	\$78,000	\$78,000	\$78,000	\$78,000	\$9,632,887

Adjustment Codes :

T : Project terminated; funds transferred to Fund Balance for reallocation.

Capital Improvement Project Summary

Page	Project	Project Name	Funding Sources	Adjustment	Estimated	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	TOTAL
umber	Number		(Fund number)	Code	Cost	Funding	Funding	Funding	Funding	Funding	
Proposed Unfunded New Projects											
3-4	XXXX	Date Palm / I-10 Interchange	To be determined		\$12,000,000	\$0	\$0	\$0	\$0	\$0	\$12,000,000
3-5	331-8697	Dinah Shore Drive (Mid Valley Parkway) Projects: Plumley Rd to Da Vall	To be determined		\$1,552,000	\$0	\$0	\$0	\$0	\$0	\$1,552,000
3-6	XXXX	E. Palm Canyon Drive pavement Rehabilitation: Sungate to East city limits	To be determined		\$200,000	\$0	\$0	\$0	\$0	\$0	\$200,000
3-7	XXXX	Varner Road Improvement at Solid Waste Transfer Station	AB 939 fund 246		\$20,000	\$0	\$0	\$0	\$0	\$0	\$20,000
3-8	XXXX	Big League Dreams Parking Expansion	To be determined		\$125,000	\$0	\$0	\$0	\$0	\$0	\$125,000
3-9	XXXX	Fountain of Life Surge Tank Enlargement	To be determined		\$75,000	\$0	\$0	\$0	\$0	\$0	\$75,000
3-10	XXXX	Downtown Area Public Parking Projects	To be determined		\$0	\$0	\$0	\$0	\$0	\$0	\$0
3-11	XXXX	Civic Center Vacant Wing Study	To be determined		\$15,000	\$0	\$0	\$0	\$0	\$0	\$15,000
3-12	XXXX	Date Palm Corridor Plan	To be determined		\$0	\$0	\$0	\$0	\$0	\$0	\$0
3-13	XXXX	Implement City-Wide "Wireless" Internet & Wide Area Network (WAN) system	To be determined		\$200,000	\$0	\$0	\$0	\$0	\$0	\$200,000
3-14	XXXX	Traffic Signal Upgrade : Plumley Road at Gerald Ford	322		\$45,000	\$0	\$0	\$0	\$0	\$0	\$45,000
3-15	XXXX	Neighborhood Entry Statements	To be determined		\$0	\$0	\$0	\$0	\$0	\$0	\$0
3-16	XXXX	Perez Road Corridor Plan	To be determined		\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
3-17	XXXX	Police Department Parking Lot Carport	To be determined		\$0	\$0	\$0	\$0	\$0	\$0	\$0
3-18	XXXX	Valley Wide Animal Services	To be determined		\$45,000	\$0	\$0	\$0	\$0	\$0	\$45,000
3-19	XXXX	Parking Lot and Site Improvements For Fire Department Admin. Offices	To be determined		\$400,000	\$0	\$0	\$0	\$0	\$0	\$400,000
3-20	XXXX	Skateboard / BMX Park	To be determined		\$0	\$0	\$0	\$0	\$0	\$0	\$0
3-21	XXXX	Little Red Schoolhouse	To be determined		\$50,000	\$0	\$0	\$0	\$0	\$0	\$50,000
3-22	XXXX	Downtown Banner Program	To be determined		\$0	\$0	\$0	\$0	\$0	\$0	\$0
3-23	XXXX	Downtown Paseos / Alleyways	To be determined		\$0	\$0	\$0	\$0	\$0	\$0	\$0
3-24	XXXX	Facade Improvement / Rehabilitation Program	To be determined		\$250,000	\$0	\$0	\$0	\$0	\$0	\$250,000
Subtotal for proposed new projects:					\$15,027,000	\$0	\$0	\$0	\$0	\$0	\$15,027,000

RESOLUTION NO. _____

**RESOLUTION BY THE CATHEDRAL CITY REDEVELOPMENT AGENCY ADOPTING A
CAPITAL IMPROVEMENT PROGRAM (CIP) FOR FISCAL YEAR 2001-2002.**

WHEREAS, the Cathedral City Redevelopment Agency Board of Directors has reviewed the Proposed 2001-2002 Fiscal Year Capital Improvement Program; and

WHEREAS, the Cathedral City Planning Commission has reviewed the Proposed 2001-2002 Fiscal Year Capital Improvement Program.

NOW, THEREFORE, BE IT RESOLVED, by the Cathedral City Redevelopment Agency as follows:

SECTION 1. The Capital Improvement Program, as shown below is hereby adopted.

SECTION 2. The Capital Improvement Program for Fiscal Year 2001-2002 is hereby adopted as the Capital Budget for Fiscal Year 2001-2002 with funds appropriated to the various projects as shown below. Staff is hereby directed to establish Capital Projects Accounts, including as necessary, reappropriation of existing projects, consistent with the Fiscal Year 2001-2002 Capital Budget adopted herein.

SECTION 3. The Agency Secretary shall Certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions of the Redevelopment Agency; and shall make a minute of passage and adoption thereof in the records of the proceedings of the Redevelopment Agency Board of Directors, in the minutes of the meeting at which Resolution is passed and adopted.

PASSED, APPROVED AND ADOPTED this 26th day of September, 2001.

Chairman George Stettler

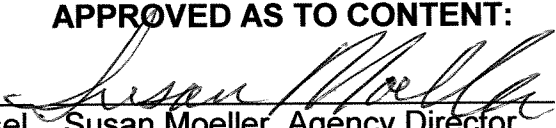
ATTEST:

Donna M. Velotta, Agency Secretary

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

Steven B. Quintanilla, Agency Counsel


Susan Moeller, Agency Director

REVIEWED:

Donald E. Bradley, Executive Director

Downtown Revitalization Funding Plan - Summary of All Projects

Financial Report thru July 1, 2001

REVENUES

Project	Approved Budget	Cash available to spend	Revenues not yet due	Approved by Finance to spend now
Downtown Core	\$12,381,900	\$11,435,855	\$946,045	\$0
Housing Projects	\$12,183,953	\$11,658,708	\$0	\$0
Civic Center	\$14,594,750	\$14,594,750	\$0	\$0
East Palm Canyon Drive	\$17,618,065	\$16,306,439	\$1,311,626	\$0
2000 TAB Project	\$15,009,168	\$15,009,168	\$0	\$0
Total Revenues:	\$71,787,836	\$69,004,920	\$2,257,671	\$0

Total Revenues
Less \$ Spent
Cash + approved to spend

\$69,004,920

\$65,348,274

\$3,656,646

EXPENSES

Project	Approved Budget	Cash & Enc. Spent to date	Budget Amount Remaining	% of budget spent
Downtown Core	\$12,381,900	\$12,278,371	\$103,529	99.2%
Housing Projects	\$12,183,953	\$9,839,998	\$2,343,955	80.8%
Civic Center	\$14,594,750	\$14,514,200	\$80,550	99.4%
East Palm Canyon Drive	\$17,618,065	\$17,243,345	\$374,721	97.9%
2000 TAB Project	\$15,009,168	\$11,472,361	\$3,536,807	1.0%
Total Expenses:	\$71,787,836	\$65,348,274	\$6,439,562	91.0%

Note: Of the \$65,352,104. "spent", \$139,640. is encumbered but not yet actually spent.

Funding Plan for Civic Center **Financial Report thru July 1, 2001**

REVENUES

Item	Account Number	Approved Budget	Cash available to spend	
Bond Proceeds (95 TAB RDA Ref)	312-8935-8005	\$14,200,000	\$14,200,000	
Bond Proceeds (95 TAB RDA Ref)	312-8935-8005	\$350,000	\$350,000	
Structural Redesign	312-8935-7502	\$8,000	\$8,000	
Site plan redesign amend 11/25/96	312-8935-7502	\$36,750	\$36,750	
Total Revenues:		\$14,594,750	\$14,594,750	\$0

Total Revenues
Less \$ spent

Cash + Approved to spend

\$14,594,750

EXPENSES

Item	Account Number	Approved Budget	Cash & Enc. Spent to date	Budget Amount Remaining	% of budget spent
MV/M	312-8935-8802-7005	\$983,164	\$989,490	\$13,674	98.6%
Turner	312-8935-8802-7010	\$887,386	\$884,902	\$2,484	99.7%
Soils test	312-8935-8802-7015	\$2,000	\$2,000	\$0	100.0%
Site Survey	312-8935-8802-7020	\$100	\$30	\$70	30.0%
Construction testing	312-8935-8802-7025	\$52,900	\$51,846	\$1,055	98.0%
Miscellaneous fees	312-8935-8802-7030	\$119,586	\$113,203	\$6,383	94.7%
Construction	312-8935-8802-7035	\$11,229,427	\$11,225,938	\$3,489	100.0%
Furniture, Fixtures, and Equipment	312-8935-8802-7045	\$1,177,321	\$1,130,425	\$46,896	96.0%
Vince Jimmo (Police)	312-8935-8802-7050	\$1,302	\$1,302	\$0	100.0%
Design Competition	312-8935-8802-7055	\$34,708	\$34,708	\$0	100.0%
Systems design/layout	312-8935-8802-7060	\$50,500	\$49,839	\$561	98.9%
Space plan	312-8935-8802-7065	\$9,941	\$9,941	\$0	100.0%
Miscellaneous fees	312-8935-8802-7080	\$46,312	\$40,375	\$5,937	87.2%
EIR Preparation	312-8935-8802-7075	\$103	\$103	\$0	100.0%
Total Expenses:		\$14,594,750	\$14,514,200	\$80,550	99.4%

Encumbrances

\$ -
 \$ -
 \$ -
 \$ -
 \$ -
 \$ -
 \$ -
 \$ 635
 \$ -
 \$ -
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 \$ -
 \$ -
 \$ -
 \$ 635

\$14,514,200

Cash available less cash spent:

\$80,550

Downtown Revitalization Funding Plan for East Palm Canyon Drive

Financial Report thru July 1, 2001

REVENUES						Total Revenues Less \$ spent Cash + approved to spend	
Item	Account Number	Approved Budget	Cash available to spend	Revenues not yet due	Approved by Finance ** to spend now		
94-96 RDA tax increment	312-8931-8802	\$100,000	\$100,000	\$0			
94-96 Master Underground Plan	232-8931-8002	\$100,000	\$100,000	\$0			
94-96 Maintenance of Effort	312-8931-8802	\$1,010,000	\$1,010,000	\$0			
97-98 & 98-99 Maintenance of Effort	312-8931-7603	\$1,200,000	\$1,200,000	\$0			
94-96 RCTC Measure A	312-8931-6922	\$4,596,000	\$4,596,000	\$0			
FY97 RCTC Measure A	312-8931-6922	\$4,740,000	\$4,740,000	\$0			
CalTrans Relinquishment	312-8931-6922	\$300,000	\$300,000	\$0			
FY 97-98 CVAG Measure A	312-8931-6967	\$800,000	\$647,434	\$152,566			
Pre 94 Redir 111 upgrade CJP 8931	312-8931-8802	\$572,224	\$572,224	\$0			
Total Current Revenues:		\$13,418,224	\$13,265,658	\$152,566			
CVAG Measure A	312-8931-6967	\$228,832		\$228,832			
RCFCD Channel Funding	312-8931-6965	\$460,000	\$460,000	\$0			
CalTrans Bridge Grant currently in process	312-8931-6966	\$1,681,600	\$1,351,373	\$330,227			
Maint of Effort 99-00,02-03 at(+or-)600000/year	312-8931-7603	\$1,200,000	\$600,000	\$600,000			
DWA Reimbursement	312-8931-6924	\$422,429	\$422,429	\$0			
Post FY97 Remnant Property Sales Revenue	312-8931-6923	\$200,000	\$200,000	\$0			
SunLine Funding	312-8931-6937	\$6,980	\$6,980	\$0			
Total Revenues:		\$17,618,065	\$16,306,439	\$1,311,626			\$16,306,439
EXPENSES						Encumbrances	
Item	Account Number	Approved Budget	Cash & Enc Spent to date	Budget Amount Remaining	% of budget spent		
Design Services	312-8931-8802-6100	\$1,186,533	\$1,186,533	\$0	100.0%	\$	-
Appraisal Services	232-8931-8802-6200	\$100,000	\$100,000	\$0	100.0%	\$	-
Appraisal Services	312-8931-8802-6200	\$7,767	\$7,767	\$0	100.0%	\$	-
Property Acquisition	312-8931-8802-6300	\$6,412,169	\$6,333,881	\$78,288	98.8%	\$	15,500
Relocation	312-8931-8802-6340	\$992,442	\$992,442	\$0	100.0%	\$	-
Project Management	312-8931-8802-6500	\$433,715	\$433,715	\$0	100.0%	\$	-
Other project expenses	312-8931-8802-6600	\$130,854	\$125,916	\$4,938	96.2%	\$	-
Construction	312-8931-8802-6700	\$5,460,000	\$5,463,567	-\$3,567	100.1%	\$	-
Construction Management and Administration	312-8931-8802-6900	\$285,000	\$280,267	\$4,733	98.3%	\$	-
Const Mgmt and Admin (Property Sales)	312-8931-8802-6950	\$450,000	\$438,616	\$11,384	97.5%	\$	-
Other expenses & Contingencies	312-8931-8802-6970	\$76,953	\$30,043	\$46,910	39.0%	\$	-
Bridge Expansion - New Budget Item	312-8931-8802-6800	\$1,862,633	\$1,845,306	\$17,327	99.1%	\$	8,217
EPC Deferred Frontage Improvements	312-8931-8802-6750	\$220,000	\$5,293	\$214,707	2.4%	\$	-
Total Expenses:		\$17,618,065	\$17,243,345	\$374,721	97.9%	\$	23,717
Cash available less cash spent:						(\$936,905)	

** RCTC Measure A Revenue and CVAG moneys, are reimbursable revenues. The expenses must occur and an invoice or request for reimbursement must be submitted to receive the revenue. Cash available less cash spent will be negative until these expenses are incurred and the revenues are collected. Property Tax Increment of 600,000. Per year (total of \$1,200,). encumbrances of \$23,717.. and CVAG reimbursable revenues amount to more than the negative cash balance of \$936,905.

Downtown Revitalization Funding Plan for East Palm Canyon Drive

SUPPLEMENTAL REPORT FOR BRIDGE EXPANSION

Financial Report thru July 1, 2001

REVENUES

Item	Account Number	Approved Budget	Cash available to spend	Revenues not yet due	Approved by Finance ** to spend now
CVAG Measure A					
RCFCD Channel Funding	312-8931-6965	\$460,000	\$460,000	\$0	
CalTrans Bridge Grant currently in process	312-8931-6966	\$1,681,600	\$1,351,373	\$330,227	
Discretionary Money-Contingencies and Property - page 1		(\$278,967)			
Total Revenues:		\$1,862,633	\$1,811,373	\$330,227	\$0

Total Revenues
Less \$ spent
 Cash + approved to spend
\$1,811,373

EXPENSES

Item	Account Number	Approved Budget	Cash & Enc Spent to date	Budget Amount Remaining	% of budget spent
EL Yeager - Prime Contractor Payments	312-8931-8802-6800	\$1,459,962	\$1,444,992	\$14,970	99.0%
EL Yeager - Retention	312-8931-8200-6801	\$145,996	\$159,232	-\$13,236	109.1%
City Staff charges; Contract admin/eng	312-8931-8802-6810	\$50,000	\$897	\$49,103	1.8%
Jim Peters - Inspection	312-8931-8802-6815	\$51,570	\$73,575	-\$22,005	142.7%
TY Lin McDaniel: Bridge design/structural eng	312-8931-8802-6820	\$9,855	\$16,355	-\$6,500	166.0%
Engineering Resources: Channel design	312-8931-8802-6825	\$5,000	\$5,000	\$0	100.0%
Earth Systems: Foundation engineering	312-8931-8802-6830	\$9,500	\$9,500	\$0	100.0%
PSI: Materials testing	312-8931-8802-6835	\$21,250	\$30,229	-\$8,979	142.3%
Mainiero Smith Associates: Survey	312-8931-8802-6840	\$25,000	\$42,455	-\$17,455	169.8%
Riverside Flood Control District	312-8931-8802-6845	\$10,000	\$5,412	\$4,588	54.1%
Regulatory Agencies/mitigation measures	312-8931-8802-6850	\$20,000	\$10,182	\$9,818	50.9%
Reproduction/mailling	312-8931-8802-6855	\$3,500	\$3,438	\$62	98.2%
Utility costs	312-8931-8802-6860	\$2,000	\$0	\$2,000	0.0%
Misc. Expenditures	312-8931-8802-6865	\$49,000	\$44,038	\$4,962	89.9%
Total Expenses:		\$1,862,633	\$1,845,306	\$17,328	99.1%

Encumbrances
 \$ -
 \$ 8
 \$ -
 \$ -
 \$ 1,229
 \$ 2,500
 \$ 1,357
 \$ 3,123
 \$ -
 \$ -
 \$ -
 \$ -
 \$ -
 \$ -
 \$ 8,217
\$1,845,306

Downtown Revitalization Funding Plan - 2000 TAB

Financial Report thru July 1, 2001

Item	Account Number	Approved Budget	Cash available to spend	Revenues not yet due	Total Revenues Less \$ Spent Cash - approved to spend
Total Bond Amount		\$16,126,000			
Cash With Fiscal Agent	411-1133	(\$294,741)			
Cost of Issuance	311-8933-8605	(\$822,091)			
Reimbursement to RDA for Project Soft Costs		(\$3,000,000)			
Proceeds Available		\$12,009,168			
2000 Tax Allocation Revenue Bonds	(Bond Proceeds)	\$12,009,168	\$12,009,168		
Interest from \$1,200,000 Rent Guarantee	311-8933-6801			To be Calculated	
Interest from \$15,008,668 Bonds	(Interest to be Allocated)			To be Calculated	
RDA Transfers In	311-8933-6802	\$3,000,000 *	\$3,000,000		
Total Revenues:		\$15,009,168	\$15,009,168	\$0	\$15,009,168

Item	Account Number	Approved Budget	Cash & Enc. Spent to date	Budget Amount Remaining	% of budget spent
Loan	311-8933-8802-1305	\$250,000 *	\$0	\$250,000	\$0
Misc. Expenditures for Public Improvments	311-8933-8802-6865	\$940,868	\$327,255	\$613,613	35%
Parking Structure	311-8933-8802-7626	\$6,500,000	\$6,226,720	\$273,280	96%
Public Comm Area Improvments for DTC	311-8933-8802-7685	\$812,500	\$11,676	\$800,824	1%
Public Improvments South of EPC	311-8933-8802-7690	\$1,270,500	\$52,019	\$1,218,481	4%
Reserved Private Assistance	311-8933-8802-7682	\$159,300	\$0	\$159,300	0%
Theater Assistance from Agency	311-8933-8802-7680	\$1,550,000 *	\$1,575,969	-\$25,969	102%
Theater Assistance from Bonds	311-8933-8802-8000	\$1,325,000	\$1,320,745	\$4,255	100%
Theater Rent Guarantee Fund	311-8933-8802-7600	\$1,200,000 *	\$1,200,000	\$0	100%
Theater/J Public Improvments & Comm Area	311-8933-8802-7695	\$769,000	\$534,711	\$234,289	70%
Town Square Fountain	311-8933-8802-8120	\$232,000	\$223,266	\$8,734	96%
Total Expenses:		\$15,009,168	\$11,472,361	\$3,536,807	1.0%

Cash available less cash spent:

\$3,536,807

* Note: The \$3,000,000 in reimbursables is discretionary money and available for private activity expenditures as indicated.

Downtown Revitalization Funding Plan - Downtown Core Projects

Financial Report thru July 1, 2001

REVENUES				
Item	Account Number	Approved Budget	Cash available to spend	Revenues not yet due
94-97 Tax Increment	312-8926-8802	\$4,950,000	\$4,950,000	
Pre 94 Redir Dwntrwn Seed CIP 8110	312-8110-8802	\$103,705	\$103,705	
Pre 94 Redir Dwntrwn Red CIP 8932	313-8932-8802	\$47,787	\$47,787	
Pre 94 Redir Dwntrwn AD CIP 8951	243-8951-8802	\$192,995	\$192,995	
Pre 94 Redir Cove AD CIP 8685	312-8685-8802	\$48,850	\$48,850	
Maintenance of Effort 96-97	312-8926-7603	\$600,000	\$600,000	
Site plan redesign Civic Ctr 11/25/96 Core Proj	312-8926-9502	(\$44,750)	(\$44,750)	
Bond Proceeds (95 TAB RDA Refunding)	312-8926-8005	\$3,950,000	\$3,950,000	
Interest from Deposits Held by the Court		\$120,000		
CIP 8931 redirected from E Plm Cyn Proj		\$367,776	\$367,776	
Fountain Donations	312-8936-6922	\$63,150	\$63,150	
Gas Tax Fund balance	243-5191	\$30,000	\$30,000	
Measure A funds	312-8926-8802-7640	\$227,400	\$227,400	
Total Current Revenues:		\$10,656,913	\$10,656,913	\$0
FY02-03 Tax Increment	312-8926-7603	\$100,000		\$100,000
Land Sales	312-8926-6923	\$750,000		\$750,000
Master Underground Plan	312-8926-6968	\$60,000	\$60,000	\$0
State & Local Partnership	312-8926-6931	\$105,000	\$103,955	\$1,045
Parking Revenue	312-8926-6932	\$80,000		\$80,000
DWA Reimbursement	312-8926-8802-7640	\$357,956	\$357,956	\$0
Utility Reimbursement	312-8926-6964	\$28,765	\$13,765	\$15,000
Soft Agua Caliente Indian Donation	312-8926-6936	\$20,000	\$20,000	\$0
RDA Downtown Bond Issue	312-8926-8005	\$223,266	\$223,266	\$0
Total Revenues:		\$12,381,900	\$11,435,855	\$946,045
				\$0

Total Revenues
Less \$ spent
Cash + approved to spend

\$11,435,855

EXPENSES				
Item	Account Number	Approved Budget	Cash & Enc. Spent to date	% of budget Spent
Key Block Acquisition	312-8926-8802-7610	\$737,140	\$737,155	100.0%
Town Square	312-8936-8802-8100	\$1,222,150	\$1,222,238	100.0%
Fountain	312-8936-8802-8120	\$754,766	\$737,041	97.7%
Parking	312-8926-8802-7625	\$480,000	\$479,411	99.9%
Project Administration and Services	313-8926-8802-7635	\$509,917	\$509,396	99.9%
Streets, Amenities	313-8926-8802-7640	\$1,915,454	\$1,908,496	99.6%
Imax Incentive Program	313-8926-8802-7650	\$2,150,000	\$2,150,000	100.0%
Other Programs	312-8926-8802-7655	\$305,250	\$288,809	94.6%
Contingency	312-8926-8802-7660	\$427,447	\$427,931	100.1%
Downtown working capital	313-8926-8802-7665	\$2,000,000	\$2,000,725	100.0%
Downtown acquisition capital	313-8926-8802-7670	\$1,512,000	\$1,454,326	96.2%
Project Management & related expenses	312-8926-8802-7675	\$367,776	\$362,844	98.7%
Total Expenses:		\$12,381,900	\$12,278,371	99.2%

Encumbrances

\$ -
\$ -
\$ 2,906
\$ -
\$ -
\$ 3,016
\$ -
\$ -
\$ 675
\$ 725
\$ -
\$ -
\$ 7,322
\$12,278,371

Cash available less cash spent: (\$842,516)

Low and Moderate Income Housing Projects Summary

Page	Project	Project Name	Remaining Prior Years 06/30/2001	2001-2002 Funding	2002-2003 Funding	2003-2004 Funding	2004-2005 Funding	2005-2006 Funding	TOTAL
Number	Number								
Affordable Housing									
5-6	211-221-8902	Jorgensen Interest	0	7736.4					\$7,736
5-7	8840	CHIP	\$0	\$300,000					\$300,000
5-8	8850	ADFAP	\$140,592	\$39,408					\$180,000
5-9	8852	Temporary Location	\$4,626	\$0					\$4,626
5-10	8853	Single Family Home	\$9,061	\$0					\$9,061
5-11	8856	Project Assistance	\$13,571	\$0					\$13,571
5-12	8860	SHARP	\$16,028	\$80,000					\$96,028
5-13	8862	Lot Design & Development	\$21,000	\$7,500					\$28,500
5-14	8865	Senior Home Repair (EDA Funded)	\$0	\$40,000					\$40,000
5-15	8884	First Time Home Buyers Assistance	\$68,359	\$0					\$68,359
5-16	8888	Cathedral Palms Apartments	\$173,602	\$969,205	\$1,630,805	\$814,982			\$3,414,992
5-17	8889	Contingencies	\$7,875	\$0	\$0	\$0			\$173,602
5-18	8870	Land Banking	\$0	\$20,000	\$0	\$0			\$27,875
5-19	8965	Suntown Contingency (7535)	\$0	\$700,000	\$0	\$0			\$700,000
5-20	8965	Special Projects Southside (7555)	\$0	\$0	\$0	\$0			\$0
5-21	8965	School District Site (7560)	\$0	\$0	\$0	\$0			\$0
5-22	8965	Special Project Mercy (7570)	\$374,755	\$525,245	\$0	\$0			\$900,000
5-23	8997	Northwoods Apartment Development	\$0	\$325,000	\$0	\$0			\$325,000
5-24	8998	Neighborhood Revitalization - Dream Homes	\$0	\$250,000	\$0	\$0			\$250,000
5-25	XXXX	Victoria Woods Senior Apartments	\$0	\$300,000	\$0	\$0			\$300,000
5-26	XXXX	Creekside Apartments	\$0	\$325,000	\$0	\$0			\$325,000
5-27	XXXX	The Cloisters, LINC Housing site assembly (Transfer from Special Project Southside)	\$0	\$1,443,955	\$0	\$0			\$1,443,955
		Total affordable housing:	\$829,469	\$5,333,049	\$1,630,805	\$814,982	\$0	\$0	\$6,539,351

Terminated
Terminated
Terminated

Downtown Revitalization Funding Plan - Housing Projects

Financial Report thru July 1, 2001

REVENUES					
Item	Account Number	Approved Budget	Cash available to spend	Revenues not yet due	Approved by Finance ** to spend now
94-96 Tax Increment Housing Set-Aside	211-8926-8802	\$1,000,000	\$1,000,000		
FY94-95 redir.CIP 8870 Land Banking	211-8926-8802	\$4,200,000	\$4,200,000		
Pre FY94-95 redir CIP 8870 Land Banking	211-8870-8804	\$78,708	\$78,708		
Fund Balance		\$6,380,000	\$6,380,000		
Housing Set-a-side fund Balance FY 01/02		\$525,245			
Total Current Revenues:		\$12,183,953	\$11,658,708	\$0	\$0
Total Revenues:		\$12,183,953	\$11,658,708	\$0	\$0
					\$11,658,708
Total Revenues Less \$ Spent					
Cash * approved to spend					
EXPENSES					
Item	Account Number	Approved Budget	Cash & Enc. Spent to date	Budget Amount Remaining	% of budget spent
Suntown Acquisition					
Suntown land acquisition	211-8965-8802-7510	\$3,604,525	\$3,604,525	\$0	100.0%
Suntown Relocation	211-8965-8802-7515	\$1,026,450	\$1,026,450	\$0	100.0%
Mobile home purchase	211-8965-8802-7520	\$346,341	\$346,341	\$0	100.0%
Suntown Property Mgmt & Security	211-8965-8802-7525	\$105,431	\$105,431	\$0	100.0%
Suntown administrative costs	211-8965-8802-7530	\$548,668	\$548,668	\$0	100.0%
Suntown contingency	211-8965-8802-7535	\$815,504	\$815,504	\$0	100.0%
"Opportunity" acquisitions	211-8965-8802-7540	\$78,708	\$78,708	\$0	100.0%
Desert Aids Proj. FY 97-98, 98-99	211-8965-8802-7550	\$500,000	\$500,000	\$0	100.0%
Special Projects - Southside	211-8965-8802-7555	\$1,530,630	\$1,530,630	\$0	100.0%
Special Projects - LINC	211-8965-8802-7556	\$1,443,955	\$0	\$1,443,955	0.0%
Special Projects - Mercy	211-8965-8802-7570	\$1,125,245	\$225,245	\$900,000	20.0%
School District Site (FY 98-99)	211-8965-8802-7560	\$1,058,496	\$1,058,496	\$0	100.0%
Total Expenses:		\$12,183,953	\$9,839,998	\$2,343,955	80.8%
					\$9,839,998
					\$1,818,710
					Cash available less cash spent:
					\$1,818,710

** The balance remaining in the Southside Project has been redirected to the LINC Project for Fiscal Year 01/02 CIP Budget

RESOLUTION NO. P01- 939

CAPITAL IMPROVEMENT BUDGET 2001/2002

A RESOLUTION BY THE PLANNING COMMISSION OF THE CITY OF CATHEDRAL CITY, CALIFORNIA, MAKING A FINDING THAT THE PROPOSED CAPITAL IMPROVEMENT BUDGET FOR 2001/2002 IMPLEMENTS THE GOALS AND OBJECTIVES OF THE GENERAL PLAN AND RECOMMENDING TO THE CITY COUNCIL APPROVAL OF THE 2001/2002 CAPITAL IMPROVEMENT BUDGET

WHEREAS, the City of Cathedral City, California ("City") is implementing its Capital Improvement Budget for 2001/2002; and

WHEREAS, said Budget has been presented to said City's Planning Commission during a public meeting for determination of consistency with the City's General Plan on September 5, 2001; and

WHEREAS, the Capital Improvement Budget provides for improvements, inclusive but not limited to, street, sidewalk, drainage, accessibility, landscaping, storm drain, park, and Redevelopment projects; and

WHEREAS, the City of Cathedral City acting as Lead Agency has determined that the proposed budget is consistent with the General Plan Environmental Impact Report;

THE CITY OF CATHEDRAL CITY PLANNING COMMISSION DOES RESOLVE AS FOLLOWS:

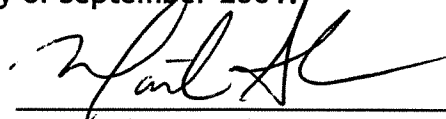
Section 1. The Planning Commission considered all of the evidence submitted into the administrative record, which includes, but is not limited to: a) the Staff Report prepared for the Planning Commission by the City Planner; b) the staff presentation; c) public comments, both written and oral, received and/or submitted at, or prior to, the public hearing/meeting supporting and/or opposing the staff recommendation; and, d) testimony and/or comments from the applicant and its representatives submitted to the City in both written and oral form at, or prior to, the public hearing/meeting.

Section 2. Based on the foregoing evidence the Planning Commission finds that the proposed Capital Improvement Budget will implement and does reflect the intent of the goals and objectives of the General Plan by providing funding for various improvements contemplated by the General Plan, such as streets, sidewalks, drainage, accessibility, landscaping, storm drains, parks, and Redevelopment projects;

NOW, THEREFORE, LET IT BE RESOVLED that the Planning Commission of the City of Cathedral City does recommend to the City Council that the proposed 2001/2002 Capital Improvement Budget is consistent with the goals and objectives of the General Plan and its Environmental Impact Report, as amended from time to time.

The Secretary to the Planning Commission shall certify as to the adoption of this resolution and shall cause the same to be processed in the manner required by law.

PASSED AND APPROVED on this 5th day of September 2001.



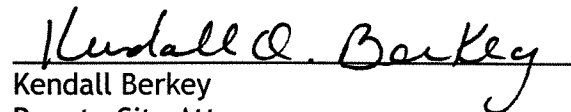
Martin Alvarez, Chair

APPROVED AS TO CONTENT:



Cynthia S. Kinser
City Planner

APPROVED AS TO LEGAL FORM:



Kendall Berkey
Deputy City Attorney

**CITY OF CATHEDRAL CITY
CITY COUNCIL AGENDA**

SUBJECT: Award of Contract to In-2-Lights, for installation of annual Holiday Lighting on parkway and median island trees at various locations in the City.


DEPARTMENT: Engineering

MEETING DATE: September 26, 2001

DEADLINE FOR ACTION: N/A

CONTACT PERSON: Bill Bayne, Senior Engineer

APPROVED: 
Department


City Manager


Finance

RECOMMENDATION:

That the City Council approve the contract with In-2-Lights of California, in the amount of \$ 20,300 for installation of annual holiday lighting on trees in parkways and medians in the same locations as last year, and for \$ 6,118 to purchase and install holiday lights at several new locations.

BACKGROUND/ANALYSIS:

For the past two years, the City has contracted with In-2-Lights of California, from Palm Desert, to provide and install holiday lighting on parkway and median island trees in various locations in the City. These are the strings of "Sparklight" mini-lights which are wound around the tree trunks. The previous contracts have provided that In-2-Lights also remove and store the lights after the holiday season.

Staff requested a new proposal for installation of lighting at last year's locations for the 2001 holiday season. The proposed fee is \$20,300, which is \$ 400 more than last year's proposal. If approved, the contractor will install the lights during the week of October 3rd or 10th, 2001, and will remove the lights during the week of January 17th or 24th, 2002.

In addition, Staff asked for a quote to install additional lights on the trees in the parkways and medians recently completed in front of the new Holiday Inn and on Palm Canyon Drive, at the Volvo dealership. Their quote is a total of \$6,118, which is comprised of \$ 2,848 for materials, and \$ 3,270 for installation labor.

The above quotes also include the labor required to remove the lights, and to store them until next holiday season.

FISCAL IMPACT:

The General Government portion of the 2001-02 Operations Budget has \$ 30,000 set aside for holiday lighting, in account 100-911-8301. The total contract, for installing both the old lights (\$ 20,300) and the new ones (\$ 6,118), totals \$ 26,418.

The terms of the proposal require that 60% (\$ 15,851) of the contract amount be paid upon award of the contract, with the balance to be paid upon installation.

In-2-Light's prior service and installation has been very good. Staff recommends approval of this new contract and the added lighting installations.

Last Year's Lighting Locations:

- 8 palm trees in entry way to Town Square
- 22 trees various locations
- 13 palms in front of theater
- 26 palms around civic center
- 6 palms @ corner of Date Palm and East Palm Canyon
- 4 palms on corner of Cathedral Canyon and East Palm Canyon
- 66 palms in medians in Date Palm, south of Vista Chino

Proposed New Lighting Locations:

(88 new strands of "Sparklight" mini-lights)

- 11 palms @ sw corner of Gerald Ford and Date Palm
- 12 palms in center median in Date Palm, s/o Gerald Ford
- 7 palms at SW corner of East Palm Canyon and Perez (Volvo dealership)

ATTACHMENTS:

None

**REDEVELOPMENT AGENCY OF
CITY OF CATHEDRAL CITY
AGENDA REPORT**

SUBJECT: Contract for Legal Services with Oliver, Vose, Sandifer,
Murphy and Lee

DEPARTMENT: Redevelopment Agency

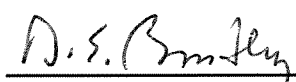
MEETING DATE: September 26 2001

DEADLINE FOR ACTION: N/A

CONTACT PERSON: Susan Moeller

APPROVED:


Redevelopment


Executive Director


Finance

RECOMMENDATION:

1. Authorize a loan from the Housing Set-Aside Fund balance to a new CIP for the BCN project in an amount not-to-exceed Two Hundred Twenty Thousand Dollars (\$220,000).
2. Authorize the Executive Director to execute a Professional Services Contract in substantially the same form as attached with Oliver, Vose, Sandifer, Murphy & Lee (OVS) for eminent domain and other legal services required for the proposed BCN Project, in an initial amount not-to-exceed Two Hundred Twenty Thousand Dollars (\$220,000), to be funded from the loan from the Housing Set-Aside Fund balance.

EXECUTIVE SUMMARY:

State Redevelopment Law mandates relocation assistance to be provided to displaced property owners and tenants for both residential and business uses. It also mandates that Redevelopment Agencies demonstrate that sufficient resources exist to meet state requirements. The proposed contract with OVS includes a variety of legal services related to acquiring properties through the eminent domain process, and oversight of property acquisition agents and appraisers for the proposed project. The proposed contract details the services and compensation for the firm of OVS.

Authority is requested for execution of the general contract and initial expenditures required for legal services for the proposed BCN Project. Authority to proceed with more extensive legal services will be requested in conjunction

with the consideration of a Disposition and Development Agreement (“DDA”) for the proposed BCN Project.

BACKGROUND:

The proposed BCN Project plans for a 300-room conference hotel that, when finished, is expected to generate approximately \$1.5 million annually in transient occupancy tax and other income that will go into the City’s General Fund in its first full year of operation. As many as 58 properties may need to be acquired through the eminent domain process making this very complex and multi task Project.

The proposed BCN Project currently has a variety of land uses within the boundaries of the proposed hotel site including vacant land, residential rental properties, owner occupied homes, and improved and unimproved commercial properties, as well as, sections of streets that may need to be vacated.

Acquisition of all of the properties required for successful land assembly for the proposed Project is a complex undertaking. Because of the scope of the project and the very short timeline for acquisition, the Agency’s general legal counsel, Green, de Bortnowsky & Quintanilla, has recommended to the Agency that a law firm that specializes in eminent domain services be retained for this proposed project on a sole source basis. The firm of OVS is recommended because of the extensive experience, expertise, and legal staff specializing in eminent domain work, as well as, their past services with the Redevelopment Agency. Besides legal services discussed in this contract, the law firm will select and hire, subject to Agency approval, an acquisition firm and necessary appraisers for the prospective project. Invoices for acquisition and appraisal services will be reviewed by eminent domain counsel and forwarded to the Agency for payment. Each one of the above elements will require a significant time investment by staff in working with legal counsel, acquisition agents, and appraisers.

If a DDA is approved, Requests for Proposals for other services and consultants that will be required for the proposed Project, include, but not limited to, an environmental consultant, abatement contractor and demolition firms, just to mention a few. These Request for Proposals are under preparation now so that the remainder of consultants and service providers can be chosen as the need for specific service approaches. The goal is to have all providers under contract as soon as possible after a DDA is approved so the timeline can be maintained.

ANALYSIS:

OVS has provided legal services to the Agency in the past for the downtown project and has significant expertise in the local market. The firm has established a good working relationship with the Agency and has always performed its duties

in a professional and timely manner. This firm is also one of the preeminent condemnation law firms in Southern California known for their experience and history in this specialized area of law.

Given the overall scope of the possible project and the number of properties to be acquired in a short period of time, OVS has the expertise and depth to provide the necessary staffing for these possible eminent domain actions. Therefore, it is staff's recommendation to contract with OVS as a sole provider for eminent domain services based on their past performance, intimate knowledge of the area and Agency Projects, and the breadth and depth of their organization.

The proposed contract with OVS consists of several sections. The body of the contract covers general areas and outlines mutual obligations of both the Agency and law firm for services. This portion of the contract is generally similar to other contracts for consulting services that the Agency has with different service providers. The specifics of services and cost breakdown are shown in the Scope of Services and Compensation Structure of the contract.

The Scope of Services outlines the work that will be provided by the law firm for the proposed project.

It is clear from looking at the Compensation Schedule provided that total services cannot be precisely quantified at this time. That is primarily due to the fact that legal services required to acquire individual properties will vary in total cost depending on whether eminent domain actions are required and upon the complexity of each eminent domain case.

FISCAL IMPACT:

There are currently no funds allocated for the BCN Project, except for the Good Faith Deposit (which has the balance of \$23,499.48).

It is proposed that a loan be made available from the Housing Set-Aside Fund balance to a new CIP for the BCN Project to fund this contract. If the project moves ahead, as is anticipated, the loan will be repaid from the proceeds of the bonds to be issued for the building of the hotel. A loan document will be available prior to the meeting for review and consideration by the Agency Board.

ALTERNATIVES:

Agency staff has negotiated the proposed contract with OVS based on experience in dealing with this firm, staff's knowledge of the firm's reputation, and the quality of work performed in the past. Staff has also acted on the direction given by the Agency Board.

The Agency Board could instruct staff to issue a Request for Proposals and interview various firms before selecting one and coming back to the Agency with a recommended contract. This course is not recommended due to the earlier direction of the Agency Board given to the Agency staff to use OVS as the sole source for this contract based upon the time frame required by the project; their excellent record with this Agency and other cities in the Southern California; their specific knowledge of the local area and proposed project; and the ability of their firm to handle services for such a large number of potential eminent domain cases.

Attachment:
Professional Services Agreement

Attachment I

**PROFESSIONAL SERVICES AGREEMENT
BY AND BETWEEN
THE CITY OF CATHEDRAL CITY REDEVELOPMENT AGENCY
AND
OLIVER, VOSE, SANDIFER, MURPHY AND LEE**

LEGAL SERVICES

THIS AGREEMENT, s made and entered into this ____ day of September 2001, by and between the City of Cathedral City Redevelopment Agency, corporate and politic, (hereinafter referred to as the "Agency") and Oliver, Vose, Sandifer, Murphy and Lee, a California corporation, hereinafter referred to as "Law Firm".

RECITALS:

WHEREAS, The Redevelopment Agency has need for specialized services to perform in connection with the administration of Agency's programs requiring the provision of legal services, thus exempting it from bid requirements; and

WHEREAS, Attorneys experienced in eminent domain and condemnation law are needed for a proposed project planned by the Agency which, if approved, will require the acquisition of up to 58 properties; and

WHEREAS, in light of the facts set forth above, the Agency desires to retain the services of a qualified legal firm to provide, on an independent contractor's basis, for professional legal services including eminent domain assistance and the selection of specialized consultants, subject to approval by the Redevelopment Agency, to provide real estate acquisition and appraisal services, fixtures and equipment appraisals and potentially business appraisals for the evaluation of goodwill loss; and

WHEREAS, Law Firm has provided legal services for the Agency through contracts in the past for the Agency and have always performed their duties in a professional and timely manner; and

WHEREAS, due to The Firm's intimate knowledge of the Cathedral City downtown market, it is uniquely qualified to perform the services required by the Agency in the most efficient and effective manner,

NOW THEREFORE, in consideration of the covenants, conditions and promises contained herein, the parties agree as follows:

Section 1.

SCOPE OF SERVICES

Law Firm shall provide to the Agency those services as set forth in the "Scope of Services", attached hereto as Exhibit "A", and incorporated herein by this reference as though set forth at length.

Section 2.

COMPENSATION

The Agency shall pay for the services rendered by Law Firm pursuant to this Agreement in an amount not to exceed the total amount set forth in the "Payment Schedule", attached hereto as Exhibit "B", and incorporated herein by this reference as though set forth at length. The hourly rates of the Law Firm shall remain in effect for two years from date of contract execution by the Agency.

Billings from consultants retained by Law Firm to provide real estate acquisition and appraisal services, fixtures and equipment appraisals and potentially business appraisals for the evaluation of goodwill loss to Agency shall have their invoices submitted by Law Firm to the Agency for payment.

Section 3.

TERM OF THE AGREEMENT

This Agreement shall terminate two years from date of contract execution by Agency unless extended by mutual consent of the parties to this Agreement and approved by the Agency Board.

Section 4.

PAYMENT SCHEDULE

The Agency shall pay Law Firm according to the "Payment Schedule", attached hereto as Exhibit "B", and incorporated herein by this reference as though set forth at length.

Section 5.

PERFORMANCE SCHEDULE

Law Firm shall perform those services set forth in the Scope of Services pursuant to the "Performance Schedule" attached hereto as Exhibit "C", and incorporated herein by this reference as though set forth at length.

Section 6.

INDEPENDENT CONTRACTOR'S STATUS

Law Firm shall at all times during the term of this Agreement perform the services described in this Agreement as an independent contractor.

Section 7.

**REPRESENTATIONS AND ACKNOWLEDGMENTS
REGARDING INDEPENDENT CONTRACTOR'S STATUS OF LAW FIRM**

a. Law Firm represents and acknowledges the following:

- (1) The Agency is not required to provide any training to Law Firm or its employees in order for Law Firm to perform the services described in this Agreement.
- (2) Performance of the services described in this Agreement do not have to be integrated into the daily business operations of the Agency.
- (3) The services described in this Agreement can be performed without the use of Agency equipment, materials, tools or facilities.
- (4) Nothing in this Agreement shall be interpreted to imply that the Agency must maintain any contractual relationship with Law Firm on a continuing basis after termination of this Agreement.

(5) The Agency will not be requested or demanded to assume any liability for the direct payment of any salary, wage or other such compensation to any person employed by Law Firm to perform the services described in this Agreement. Notwithstanding, Agency shall pay real property acquisition agents, real estate, fixtures, and goodwill appraisers directly.

(6) Law Firm shall not at any time or in any manner represent that it or any of its officers, employees, or agents are "employees" of the Agency.

b. The Agency represents and acknowledges the following:

(1) Law Firm is not required to comply with daily instructions from Agency staff with respect to when, where or how Consultant must perform the services set forth in this Agreement.

(2) Law Firm is solely responsible for determining who, under the supervision or direction of Law Firm, will perform the services set forth in this Agreement.

(3) The Agency will not hire, supervise or pay any assistants working for Law Firm pursuant to this Agreement.

(4) Nothing in this Agreement shall be interpreted to imply that Law Firm must maintain any contractual relationship with the Agency on a continuing basis after termination of this Agreement.

(5) It is the sole responsibility of Law Firm to set the hours in which employees of Law Firm perform or plan to perform the services set forth in this Agreement.

(6) Law Firm is not required to devote full time to the business operations of the Agency in order to perform the services set forth in this Agreement.

(7) Unless deemed necessary under certain circumstances, Law Firm is not required to perform the services set forth in this Agreement at Agency Offices or on Agency-owned property.

(8) Other than attendance at required public meetings and public hearings and complying with procedural requirements set forth by law, Law Firm is not required to perform the services set forth in the Agreement in any particular order or sequence.

(9) Nothing in this Agreement shall be interpreted to preclude Law Firm from working for other persons or firms, provided that such work does not create a conflict of interest.

Section 8. NOT AGENT OF THE AGENCY

a. Nothing contained in this Agreement shall be deemed, construed or represented by the Agency or Law Firm or by any third person to create the relationship of principal and agent.

b. Law Firm shall have no authority, expressed or implied, to act on behalf of the Agency in any capacity whatsoever as an agent, nor shall Law Firm have any authority, expressed or implied, to bind the Agency to any obligation whatsoever.

Section 9.

QUALIFICATIONS

Law Firm represents that it has obtained and will maintain at all times during the term of this Agreement all professional and/or business licenses, certifications and/or permits necessary for performing the services described in this Agreement.

Section 10.

WARRANTY

Law Firm warrants that all services will be performed in a competent, professional and satisfactory manner in accordance with the standards prevalent in the industry for such services.

Section 11.

FAMILIARITY WITH WORK

a. By executing this Agreement, Law Firm warrants that (1) it has thoroughly investigated and considered the work to be performed, (2) it has investigated the issues, regarding the scope of services to be provided, (3) it has carefully considered how the work should be performed, and (4) it fully understands the facilities, difficulties and restrictions attending performance of the work under this agreement.

Should Law Firm discover any latent or unknown conditions materially differing from those inherent in the work or as represented by the Agency, it shall immediately inform the Agency of such fact and shall not proceed except at Law Firm's risk until written instructions are received from the Executive director or appropriate Agency representative.

Section 12.

CONFLICTS OF INTEREST

Law Firm covenants that neither it nor any officer of the corporation has any interest, nor shall it acquire an interest, directly or indirectly, which would conflict in any manner with the performance of Law Firm's services under this Agreement.

Section 13.

COMPLIANCE WITH LAWS

Law Firm shall comply with all local, state and federal laws and regulations applicable to the services required hereunder.

Section 14.

NONDISCRIMINATION

a. Law Firm shall comply with the Agency's employment related nondiscrimination policies as set forth in the City of Cathedral City Municipal Code, as it may be amended from time to time.

b. Law Firm acknowledges that the Agency's employment related nondiscrimination policies prohibit discrimination on the basis of an individual's sex, marital status, race, color, religion, ancestry, national origin, physical handicap, sexual orientation, and domestic partnership status.

Section 15.

**COMPREHENSIVE GENERAL AND AUTOMOBILE
LIABILITY INSURANCE**

Law Firm shall procure and maintain at its own expense, during the term of this Agreement, comprehensive general liability insurance of not less than One Million Dollars (\$1,000,000.00) combined single limit per occurrence for bodily injury, personal injury and property damage.

Section 16. WORKERS' COMPENSATION INSURANCE

a. Law Firm shall procure and maintain at its own expense, during the term of this Agreement, workers' compensation insurance, providing coverage as required by the California State Workers' Compensation Law.

b. If any class of employees employed by the Law Firm pursuant to this Agreement is not protected by the California State Workers' Compensation Law, Law Firm shall provide adequate insurance for the protection of such employees to the satisfaction of the Agency.

Section 17. ERRORS AND OMISSIONS

Law Firm shall procure and maintain through the entire term of this Agreement errors and omissions and professional liability insurance in an amount acceptable by the Administrative Services Director of the City of Cathedral City.

Section 18. ADDITIONAL NAMED INSURED

Notwithstanding any inconsistent statement in any required insurance policies or any subsequent endorsements attached thereto, the protection offered by all policies, except for Workers' Compensation, Errors and Omissions and Professional Liability coverage, shall bear an endorsement whereby it is provided that, the Agency and its officers, employees, servants, volunteers and agents and independent contractors, of the City of Cathedral City ("City") including without limitation, the Executive Director, Redevelopment Director, Project Manager, Project Coordinator, Administrative Services Director, Special Projects Director, Police Chief, Fire Chief, Agency Engineer, Public Information Officer, Agency and City Attorney, are named as additional insured.

Section 19. WAVIER OF SUBROGATION RIGHTS

Law Firm shall require the carriers of all required insurance policies to waive all rights of subrogation against the Agency/City and its officers, volunteers, employees, contractors and subcontractors.

Section 20. PROOF OF INSURANCE COVERAGE

a. Law Firm shall secure from a good and responsible company or companies authorized to do insurance business in the State of California the policies of insurance required by this Agreement and furnish to the Agency Secretary certificates of said insurance on or before the commencement of the term of this Agreement.

b. The certificates of insurance shall bear an endorsement whereby it is provided that, in the event of cancellation or amendment of any required insurance policy for any reason whatsoever, the Agency shall be notified by mail, postage prepaid, not less than thirty (30) days before the cancellation or amendment is effective.

c. The certificates of insurance shall bear an endorsement whereby it is provided that the respective insurance policy shall not be terminated or expire without first providing thirty (30) days' written notice to the Agency of such termination or expiration.

d. The certificates of insurance shall indicate that the respective insurance policy will be maintained throughout the term of this Agreement.

e. Within thirty (30) days of the execution of this Agreement, Law Firm shall furnish certified copies of all required insurance policies and endorsements.

Section 21. TERMINATION OR SUSPENSION

a. This Agreement may be terminated or suspended without cause by the Agency at any time provided that the Agency provides Law Firm at least (10) business days' written notice of such termination or suspension.

b. This Agreement may be terminated or suspended with cause by the Agency at any time provided that the Agency provides at least (3) business days' written notice of such termination or suspension.

c. This Agreement may be terminated by Law Firm with cause at any time provided that Law Firm provides the Agency at least (30) business days' written notice of such termination.

Section 22. TIME OF THE ESSENCE

Time is of the essence in the performance of this Agreement.

Section 23. INDEMNIFICATION

a. Law Firm shall defend, indemnify and hold harmless the City and the Agency, its officers, employees, representatives and agents, from and against those actions, suits, proceedings, claims, demands, losses, costs and expenses, including legal costs and attorneys' fees, for any personal injuries, deaths, property damage (including property owned by the City or Agency) and for errors and omissions committed by Law Firm, its officers, employees, independent contractors and agents, which may arise out of The Firm's negligent performance of the services described in this Agreement, unless such losses or damages are proven to be caused by the City's or Agency's own negligence or that of its officers or employees.

b. The Agency does not, and shall not, waive any rights that it may have against Law Firm under this Section, because of the acceptance by the Agency, or the deposit with the Agency, of any insurance policy or certificate required pursuant to this Agreement. The hold harmless and indemnification provisions of this Section shall apply regardless of whether or not said insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense described herein.

Section 24.

REPORTS

Law Firm shall periodically prepare and submit to the Redevelopment Agency such reports concerning Law Firm's performance of the services required by this Agreement as the Executive Director or designee may require.

Section 25.

RECORDS

- a. Law Firm shall keep such books and records as shall be necessary to perform the services required by this Agreement and enable the Executive Director to evaluate the cost and the performance of such services.
- b. Books and records pertaining to costs shall be kept and prepared in accordance with generally accepted accounting principles.
- c. The Executive Director or designee shall have full and free access to such books and records at all reasonable times, including the right to inspect, copy, audit, and make records and transcripts from such records.

Section 26.

OWNERSHIP OF DOCUMENTS

- a. Upon completion of any document or report required to be provided by Law Firm in the course of performing any of the services described in this Agreement, or upon earlier termination of this Agreement, all completed original documents and/or reports and any designs, drawings, calculations, diskettes, computer files, notes, and other related materials prepared or produced in connection with such documents or reports shall become the sole property of the Agency and may be used and/or reused on any other project by the Agency without the permission of Law Firm.
- b. All computer files produced in connection with the services described in this Agreement shall be provided to the Agency in a form and format that is compatible with the Agency's existing computer equipment and software.
- c. Instead of retaining the originals of all materials, papers, documents, files, instead related materials, Law Firm may at the conclusion of this Agreement store said materials electronically.

Section 27.

CONFIDENTIALITY

- a. Any and all documents and information obtained from the Agency or prepared by Law Firm for the Agency shall be kept strictly confidential.
- b. The specifications, reports, records, documents and other materials prepared by Law Firm in the performance of services under this Agreement shall not be released publicly without the prior written approval of the Redevelopment Director or as required by law.
- c. Law Firm shall not disclose to any other entity or person any information regarding the activities of the Agency, except as required by law or as authorized by the Agency.

Section 28. PRINCIPAL REPRESENTATIVES

- a. Duff Murphy is designated as the principal representative of Law Firm for purposes of communicating with the Agency on any matter associated with the performance of the services set forth in this Agreement.
- b. Susan Moeller, Redevelopment Director, shall be the principal representative of the Agency for purposes of communicating with Law Firm on any matter associated with the performance of the services set forth in this Agreement.
- c. Either party may designate another individual as its principal representative by giving notice of such designation to the other party.
- d. It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals shall be responsible during the term of this Agreement for directing all activities of Law Firm and devoting sufficient time to personally supervise the services hereunder.

Section 29. MODIFICATIONS AND AMENDMENTS

This Agreement may be modified or amended only by a written instrument signed by both parties.

Section 30. ENTIRE AGREEMENT

- a. This Agreement supersedes any and all other agreements, either oral or written, between the Agency and Law Firm with respect to the subject matter of this Agreement.
- b. This Agreement contains all of the covenants and agreements between the parties with respect to the subject matter of this Agreement, and each party to this Agreement acknowledges that no representations, inducements, promises, or agreements have been made by or on behalf of any party except those covenants and agreements embodied in this Agreement.
- c. No agreement, statement, or promise not contained in this Agreement shall be valid or binding.

Section 31. NOTICES

- a. Any notice to be provided pursuant to this Agreement shall be in writing, and all such notices shall be delivered by personal service or by deposit in the United States mail, certified or registered, return receipt requested, with postage prepaid, and addressed to the parties as follows:

To the Agency:
Susan Moeller, Redevelopment Director
Cathedral City Redevelopment Agency
68-700 Avenida Lalo Guerrero
Cathedral City, California 92234

To Law Firm:
Duff Murphy
Oliver, Vose, Sandifer, Murphy & Lee
281 South Figueroa Street, Second Floor
Los Angeles, California 90012-2501

b. Notices, payments and other documents shall be deemed delivered upon receipt by personal service or as of the second (2nd) day after deposit in the United States mail.

**Section 32. NON-LIABILITY OF CITY OR AGENCY
OFFICERS AND EMPLOYEES**

No officer or employee of the City or Agency shall be personally liable to Law Firm or any successor in interest, in the event of any default or breach by the City or Agency or for any amount which may become due to Law Firm or to its successor, or for any breach of any obligation of the terms of this Agreement.

Section 33. INTERPRETATION

This Agreement shall not be interpreted against either party on the grounds that one of the parties was solely responsible for preparing it or caused it to be prepared as both parties were involved in drafting it.

Section 34. WAIVER

- a. No waiver shall be binding, unless executed in writing by the party making the waiver.
- b. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any such waiver constitute a continuing or subsequent waiver of the same provision.
- c. Failure of either party to enforce any provision of this Agreement shall not constitute a waiver of the right to compel enforcement of the remaining provisions of this Agreement.

Section 35. ASSIGNMENT

- a. The experience, knowledge, capability and reputation of Law Firm, its principles and employees were a substantial inducement for the Agency to enter into this Agreement.
- b. This Agreement shall not be assigned by either party without prior written consent of the other party.

Section 36. CARE OF WORK

- a. Law Firm shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work performed by Law Firm, and the equipment, materials, papers and other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by the Agency, except such

losses or damages as may be caused by the Agency's own negligence.

b. The performance of services by Law Firm shall not relieve Law Firm from any obligation to correct any incomplete, inaccurate or defective work at no further cost to the Agency, when such inaccuracies are due to the negligence of Law Firm.

Section 37. CAPTIONS AND HEADINGS

The captions and headings contained in this Agreement are provided for identification purposes only and shall not be interpreted to limit or define the content of the provisions described under the respective caption or heading.

Section 38. SEVERABILITY

If any one or more of the sentences, clauses, paragraphs or sections contained herein is declared invalid, void or unenforceable by a court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall not affect, impair or invalidate any of the remaining sentences, clauses, paragraphs or sections contained herein.

Section 39. GOVERNING LAW

The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties under this Agreement, shall be construed pursuant to and in accordance with California law.

Section 40. RIGHTS AND REMEDIES

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

Section 41. VENUE

All proceedings involving disputes over the terms, provisions, covenants or conditions contained in this Agreement and all proceedings involving any enforcement action related to this Agreement shall be initiated and conducted in the applicable court or forum in Riverside County, California.

Section 42. ATTORNEY'S FEES

In the event any action, suit or proceeding is brought for the enforcement of, or the declaration of any right or obligation pursuant to this Agreement or as a result of any alleged breach of any provision of this Agreement, the prevailing party in such suit or proceeding shall be entitled to recover its costs and expenses, including reasonable attorney's fees, from the losing party, and any judgment or decree rendered in such a proceeding shall include an award thereof.

Section 43.

AUTHORITY

The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the dates written above.

Cathedral City Redevelopment Agency

Donald E. Bradley, Executive Director

Dudley Haines, Risk Manager

ATTEST:

By: _____
Donna M. Velotta, Agency Secretary

APPROVED AS TO FORM:

By: _____
Green, deBortnowsky & Quintanilla
Agency Counsel

APPROVED AS TO CONTENT:

By: _____
Susan Moeller, Redevelopment Director

Oliver, Vose, Sandifer, Murphy & Lee
A Professional Corporation

By: _____
Duff Murphy

EXHIBIT "A"

SCOPE OF SERVICES

The following services to include, but not be restricted to, at the request of the Agency, and shall be compensated in accordance with the "Payment Program" as set forth in Exhibit "B".

SPECIFIC TASKS THE TEAM WILL PERFORM

The Agency expects Law Firm to provide the following services:

1. Consult with Agency Staff, Pacific Relocation Consultants, Acquisition Agent and Appraisers on all legal issues as necessary regarding the eminent domain process.
2. Obtain and review all necessary legal documents including acquisition documents, reports and other documentation. The Agency will provide property profiles and preliminary title reports from Lawyer's Title Company.
3. Review all documents used by the Acquisition Agent in their work for conformity with California Community Development Law.
4. Prepare all documents necessary as needed for Resolutions of Necessity
5. Represent the Agency as required in discussions with property owners and their attorneys regarding issues of eminent domain, just compensation and other legal questions.
6. Be prepared to meet regularly with Agency Staff, Pacific Relocation Consultants, Acquisition Agent and Appraisers as needed. Meetings may be necessary from a weekly to bi-monthly basis depending on project activity and the need for legal services.
7. Represent the Agency in any court proceedings and prepare legal documents as may be required for the acquisitions of all properties subject to the eminent domain process.
8. Keep Agency Staff apprised of the status of all legal negotiations and activities in eminent domain activities and actions.
9. Assemble and maintain records of all eminent domain activities and deliver a comprehensive file on each property requiring legal services at the conclusion of each acquisition process.
10. Submit detailed monthly reports on all legal activities.

EXHIBIT "B"

PAYMENT PROGRAM

Section 1. Invoices

Invoices shall individually detail the matter and task performed by the Law Firm and shall be submitted to the Agency by Law Firm at the first of each month for services rendered toward completion of the tasks set forth in the Scope of Services, attached hereto as Exhibit "A"

Section 2. Payment

The payment of compensation to the Law Firm under the terms and conditions of this Agreement shall be divided into three phases. Phase 1 shall consist of all services performed by Law Firm up to and including the adoption of the first resolution of necessity to condemn property for the project. Phase 2 shall consist of the services provided through the filing of eminent domain proceedings in the Superior Court. Phase 3 shall consist of all services provided after the filing of eminent domain proceedings through the recording of final condemnation judgments with the Riverside County Recorder's Office.

Given the size of the proposed project, and the possibility that the scope of legal services may change depending on the issues raised and their complexity, the parties recognize that from time to time this Agreement may need to be amended. Based on a review of the project as proposed, the compensation to Law Firm for Phase 1 shall not exceed Two Hundred Twenty Thousand Dollars.

In that all the property necessary for the project may be acquired during Phase 1 and given the uncertainty of the number of parcels that may need to be acquired by eminent domain, if any, the parties recognize that it is not yet possible to set forth compensation limitations for Phases 2 and 3. Therefore, the parties will, if necessary, amend this Agreement to set for the compensation limits for Phases 2 and 3 at the time legal services in those categories are needed to acquire property for the project.

Section 3. Compensation Schedule

Law Firm shall be compensated on an hourly basis based on the following billable hourly rates, which shall remain in effect for the two year term of this Agreement:

Attorney	\$225.00 per hour
Paralegal/Legal assistant	\$120.00 per hour

In addition, Law Firm shall be reimbursed actual costs, disbursements and expenses incurred in connection with providing the services set forth in this Agreement. These include, but are not limited to, court filing fees, subpoena and witness fees, discovery fees such as court reporter and other related costs, reasonable delivery and photocopy charges, and all other charges reasonably incurred by Law Firm in delivering the services required.

The Agency shall pay Law Firm within thirty (30) days of receipt of an invoice, except as otherwise provided for herein..

Section 3. Contested Invoices

- a. Payment to Law Firm shall not be made by the Agency within thirty (30) days for any invoice that is contested or questioned and returned by the Agency with a written explanation within thirty (30) days of receipt of invoice.
- b. Law Firm shall provide to Agency a written response to any invoice contested or questioned, and upon request of the Agency, Consultant shall provide the Agency with any and all documents related to any invoice.

Section 4. Early Termination or Suspension

- a. In the event of early termination or suspension, the Agency shall compensate Law Firm for all services rendered pursuant to this Agreement up to the time of the effective date of the early termination or suspension.
- b. Compensation for services rendered in connection with a task that has not been completed at the time of the effective date of the early termination or suspension shall be provided to Law Firm on a prorated basis to reflect the percentage of the specific task that has been completed at the aforementioned time.

**REDEVELOPMENT AGENCY OF
CITY OF CATHEDRAL CITY
AGENDA REPORT**

**SUBJECT: PROVIDE NEW AND ENHANCED SIGNAGE FOR THE IMAX
THEATRE**

DEPARTMENT: Redevelopment Agency

MEETING DATE: September 26, 2001

DEADLINE FOR ACTION: N/A

CONTACT PERSON: Susan Moeller

APPROVED:


Redevelopment


Executive Director


Finance

RECOMMENDATION:

Authorize the Executive Director to execute a contract with Superior Electrical Advertising for new and upgraded signage for the IMAX Theatre, in an amount not to exceed Twenty-Five Thousand Dollars (\$25,000.00).

BACKGROUND:

Last January, the Cathedral City Downtown Foundation was formed to take over operations of the Desert IMAX Theatre. The City Council in a series of subsequent actions appropriated enough money to sustain operations through the remainder of the fiscal year, including money for improvements to increase attendance. Within the overall budget approved by the City Council, the IMAX Subcommittee appropriated a budget amount of Twenty-Five Thousand Dollars (\$25,000.00) for exterior and interior signage.

The IMAX Subcommittee of the City Council, consisting of Mayor George Stettler, Mayor Pro Tem Greg Pettis, Ed Bisailon, City Manager Donald Bradley, and various agency staff members have been meeting regularly to discuss IMAX operations and market identity and to explore ideas and ways to increase revenues and decrease costs. One idea supported by the Subcommittee is improvement to the signage on the building to make it stand out and attract more customers through enhanced exposure of the facility. The improvement of directional signage inside the IMAX Building was also identified as being required.

Staff solicited proposals for improved interior and exterior signage. Staff received proposals from the following firms: Imperial Sign Company located in

Indio, Quiel Brothers located in San Bernardino, Riofine Neon located in Palm Springs, and Superior Electrical Advertising located in Long Beach.

After review of all the proposals by the IMAX Subcommittee, staff was instructed to work with Superior Electrical Advertising. If that company proved unsatisfactory, then discussions would be initiated with Quiel Brothers.

ANALYSIS:

If current IMAX losses are to be curbed, a variety of measures need to be taken to increase customer traffic and reduce costs. Improved and enhanced signage is a small part of this overall effort, but is cost effective and will increase exposure of the building and therefore customer attendance.

Upgrading and improving signage to the building is believed to be a cost-effective way of attracting new customers to the IMAX Theatre and making the building stand out more as a destination entertainment resource. Interior signage will enhance the interior and provide an identification for and direction to the box office, concession, restrooms, and theatre entrance as well.

The proposal from Superior is as follows: (See Attachment I)

Signs	Page	1 of 12	Locations	
Sign "A"	Page	2 of 12	Exterior Building	\$ 4,298
Sign "B"	Page	3 of 12	Exterior Building	\$ 3,865
Sign "C"	Page	4 of 12	Exterior Marquee (2 signs)	\$ 19,850
Sign "D"	Page	5 of 12	Exterior Information*	-
Sign "E"	Page	6 of 12	Interior Directional*	-
Sign "F"	Page	8 of 12	Interior Information*	\$ 824 added for neon
Sign "G"	Page	9 of 12	Interior Information*	-
Sign "H"	Page	10 of 12	Interior Information*	-
Sign "I"	Page	11 of 12	Interior Directional*	-
Sign "J"	Page	12 of 12	Interior Information*	-
Total for Information & Directional*				<u>\$ 6,592 *</u>
Sub-total w/o neon				\$ 34,605
Tax				<u>\$ 856</u>
w/o neon TOTAL				\$ 35,461
Sub-total w/neon				\$ 35,429
Tax				<u>\$ 877</u>
w/neon TOTAL				\$ 36,306

RECOMMENDATION:

The Subcommittee recommends authorizing Superior Electrical Advertising to construct and install the two exterior marquee signs and additional informational and directional signage to be determined via negotiations, for an amount not to exceed Twenty-Five Thousand Dollars.

FISCAL IMPACT:

Sufficient funds to implement the new and improved signage are available in the assistance approved by the Agency Board since January 1, 2001 to support the continuing operation of the IMAX.

ALTERNATIVES:

1. Agency staff has negotiated the proposed contract with Superior Electrical Advertising with the oversight of the IMAX Subcommittee. The Agency Board can authorize staff to sign an agreement for an entire sign package for the IMAX Theatre totaling \$36,306. It is the goal of staff and the Subcommittee, however, not to exceed the initial \$25,000 allocation.
2. The Agency Board could select a combination of signs in addition to the marquee and directional signs, which would exceed the Twenty-Five Thousand Dollars and authorize staff to instruct Superior Electrical Advertising to construct and install the signs selected for an amount between \$25,000.00 and \$36,306.00. This is not recommended for the same reasons as noted in Alternative No. 1.
3. The Agency Board could select a combination of signs excluding the marquee signs that would not exceed Twenty-Five Thousand Dollars. This is not recommended because the marquee is an important element identifying the IMAX Building as an IMAX Theatre.
4. The Agency Board could instruct staff to resolicit proposals or begin discussions with Quiel Brothers and seek to find a less expensive alternative. This is not recommended because proposals were solicited originally from a number of different firms and the four that responded are considered good examples of the market. Also, installation of improvements would not be complete prior to the opening of the Festival of Festivals.

Attachment I



www.superiorsigns.com
design@superiorsigns.com

Address:
CATHEDRAL CITY,
CALIFORNIA

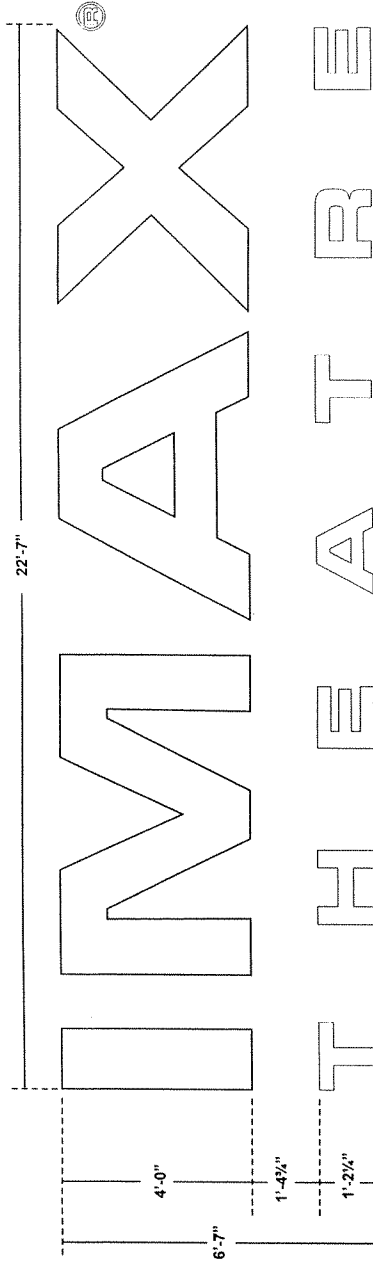
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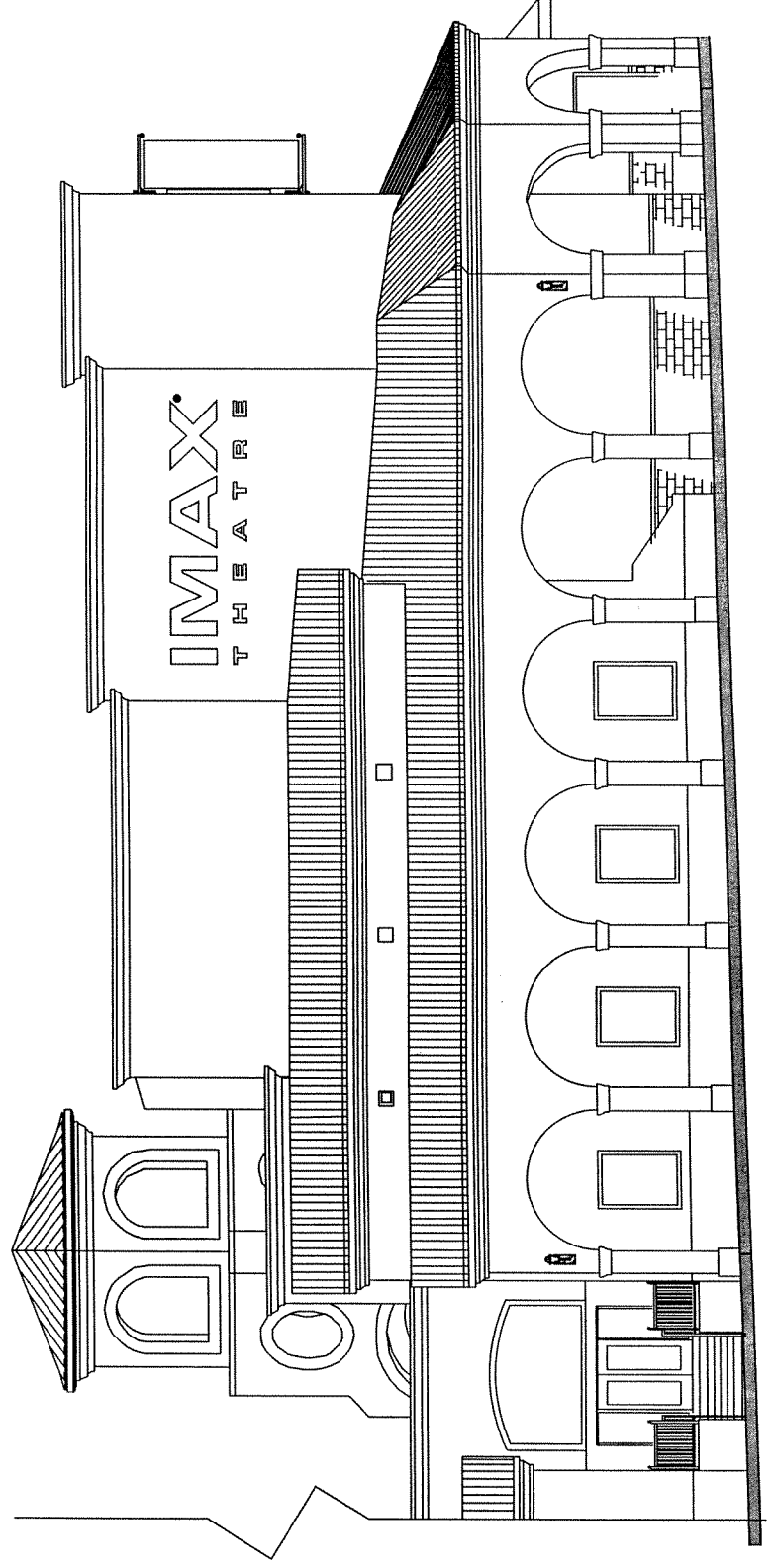
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REFLECTED CEILING PLAN



LETTERS TO BE 4" THICK HIGH DENSITY SIGN FOAM PAINTED WHITE SEMI-GLOSS. LETTERS TO BE PEGGED 1" FROM BUILDING SURFACE.



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Long Beach, California
90813-1195
phone: 562.495.3808
facsimile: 562.435.1867

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design@superiorsigns.com

Project:
DESERT IMAX
THEATER

Address:
CATHEDRAL CITY,
CALIFORNIA

Account Manager:
MICHAEL GRAY

Designer:
4/8/02

Scale:
As noted

Design No.:
01-02-1509-02

Date:
AUGUST 27, 2001

Reg. No.:

Revisions:

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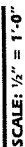
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TYPE "C" - INTERNALLY ILLUMINATED MARQUEES ON TOWER ELEVATION

REQUIREMENTS

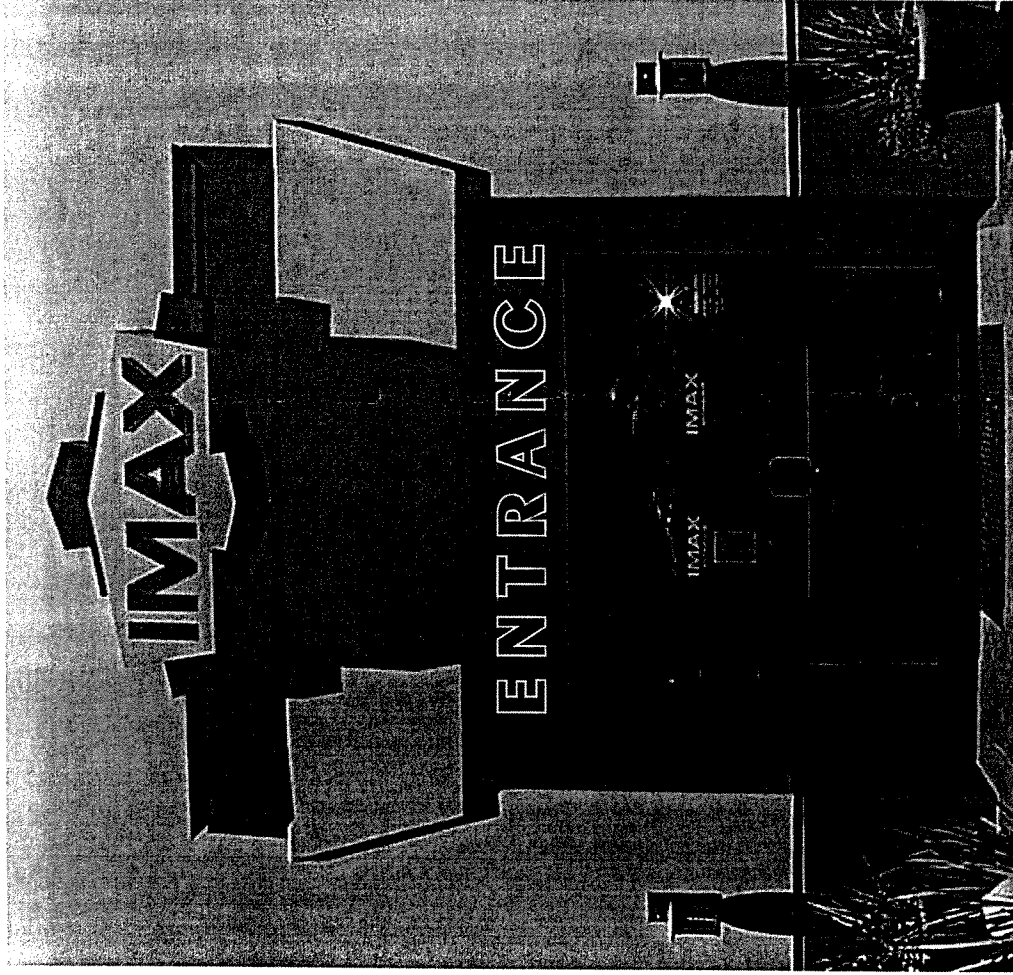
WELDING REQUIRED
 FABRICATED ALUMINUM CABINET. INTERNAL RIGID FRAMEWORK TO BE 1" ALUMINUM SQUARE TUBE WELDED AT ALL INTERSECTIONS. CABINET FACE TO BE .125 ALUMINUM. BACK AND

TO BE .360 ALUMINUM, BACK OF CABINET TO BE BLACK. DUAL-VIEW INTERNALLY ILLUMINATED CHANNEL LETTERS, LETTER FACES TO BE 3/16" THICK TRANSLUCENT WHITE ACRYLIC PLASTIC (#328). TRIMCAP AND RETURNS TO BE BLACK. LETTERS TO BE PEGGED 1" FROM CABINET FACE.

BACKS TO BE CLEAR LEXAN. INTERNAL ILLUMINATION PROVIDED BY 15MM 6500 WHITE NEON LUMINOUS TUBING. LETTERS TO BE EPOXYED TO FIRST SURFACE. "ZIP TRACK" FOR CHANGEABLE COPY EPOXIED TO FIRST SURFACE.

SEE FACE TO BE 3/16" THICK, TRANSLUCENT WHITE ACRYLIC LECT EATING (W-9287) WITH AN
 OPOR'S PATENTED "MARK 10" EXTRUDED ALUMINUM SIGN CABINET WITH SWING OPEN FACES FOR CONVENIENT SERVICE. INTERNAL ILLUMINATION PROVIDED BY 800ma T12 CWHQ
 PAINT FINISH TO BE SUNBELT AUTOGLO #7110-14 COPPER.
 FEEDER FOR EVEN LIGHTING.

INDEX



10'-0"
9'-10 1/4"

E N T R A N C E

1'-4" 1 1/4"

FLAT CUT OUT
"STAINLESS STEEL"
WRISCO

1/2" THICK SINTRA
PAINTED SUNBELT
AUTOGLO #3110-09
METALLIC PURPLE



SUPERIOR
ELECTRICAL ADVERTISING

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Account Manager:
MICHAEL GRAY

Designer:
J. Gray

Scale:
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01-02-1509-02

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AUGUST 27, 2001

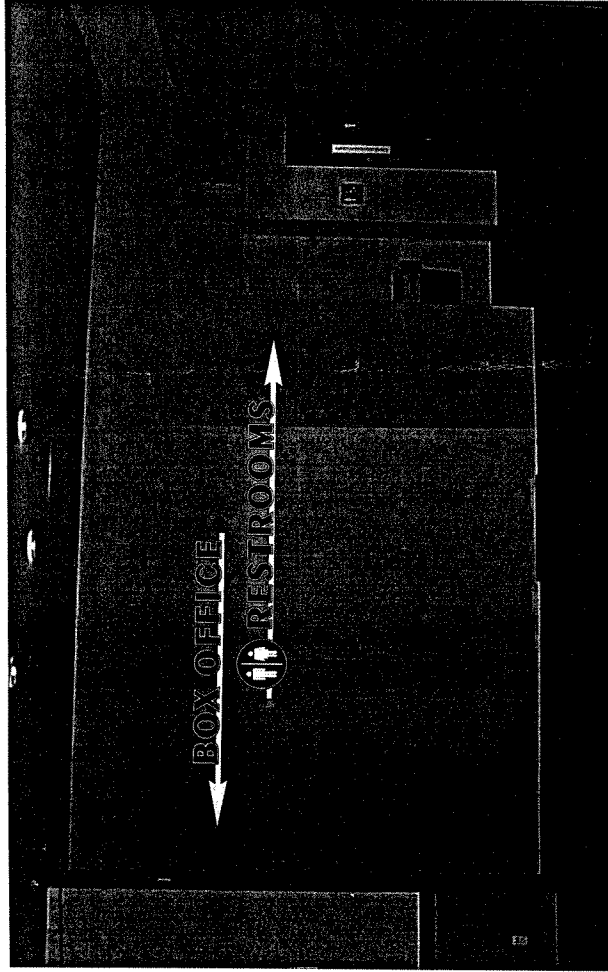
Reg. No.:

Revisions:

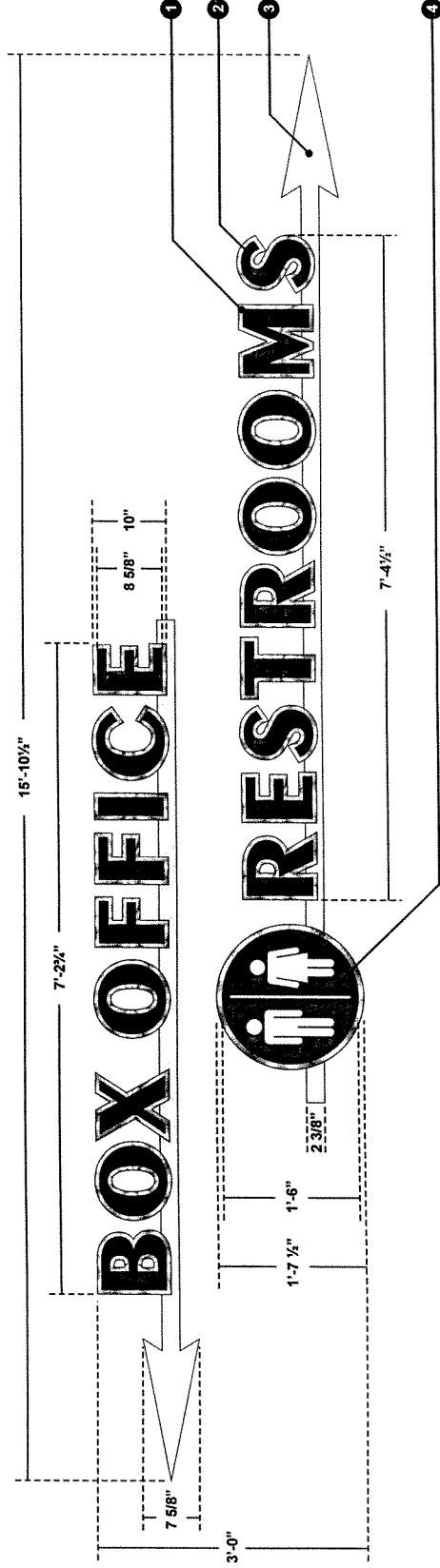
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NO SCALE



SIGN TYPE "E" - NON-ILLUMINATED SIGNAGE IN THEATRE LOBBY

1. FLAT CUT OUT "STAINLESS STEEL" WRISCO
2. 1/2" THICK SINTRA PAINTED SUNBELT AUTOGLO #3110-09 METALLIC PURPLE

SCALE: 3/4" = 1'-0"



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Long Beach, California
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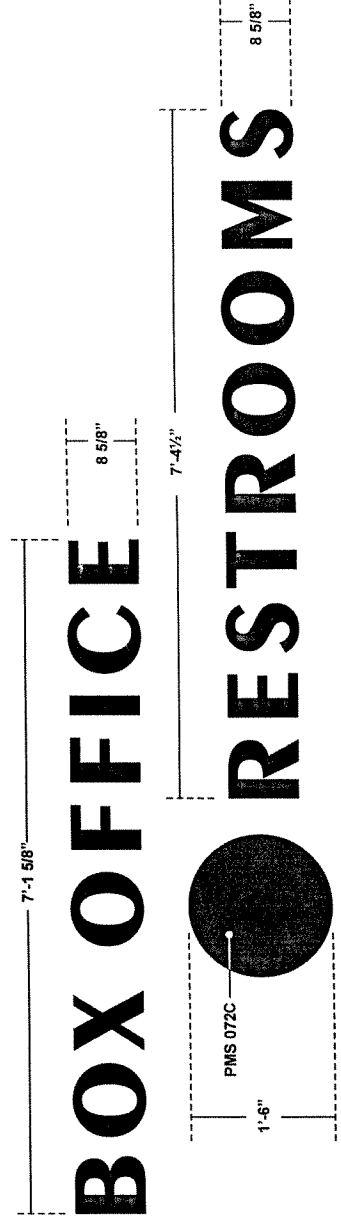
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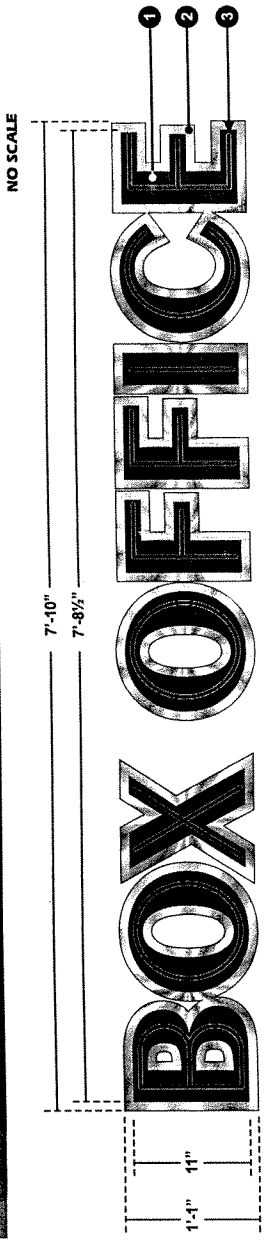
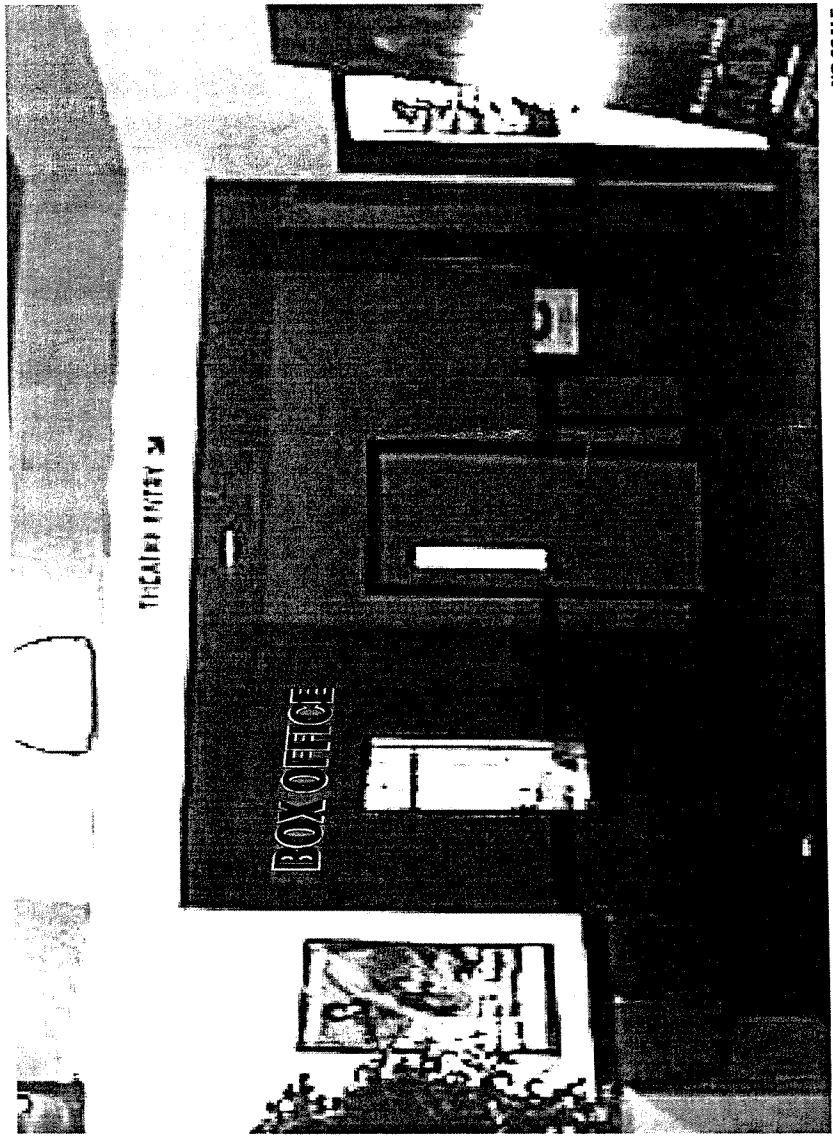
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SIGN TYPE "F" - ILLUMINATED SIGNAGE OVER BOX OFFICE WINDOW

ONE SET REQUIRED

1. 1/2" THICK KOMATEX PAINTED SUNBELT AUTOGLO #3110-09 METALLIC PURPLE



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Designer:
M. J. J.


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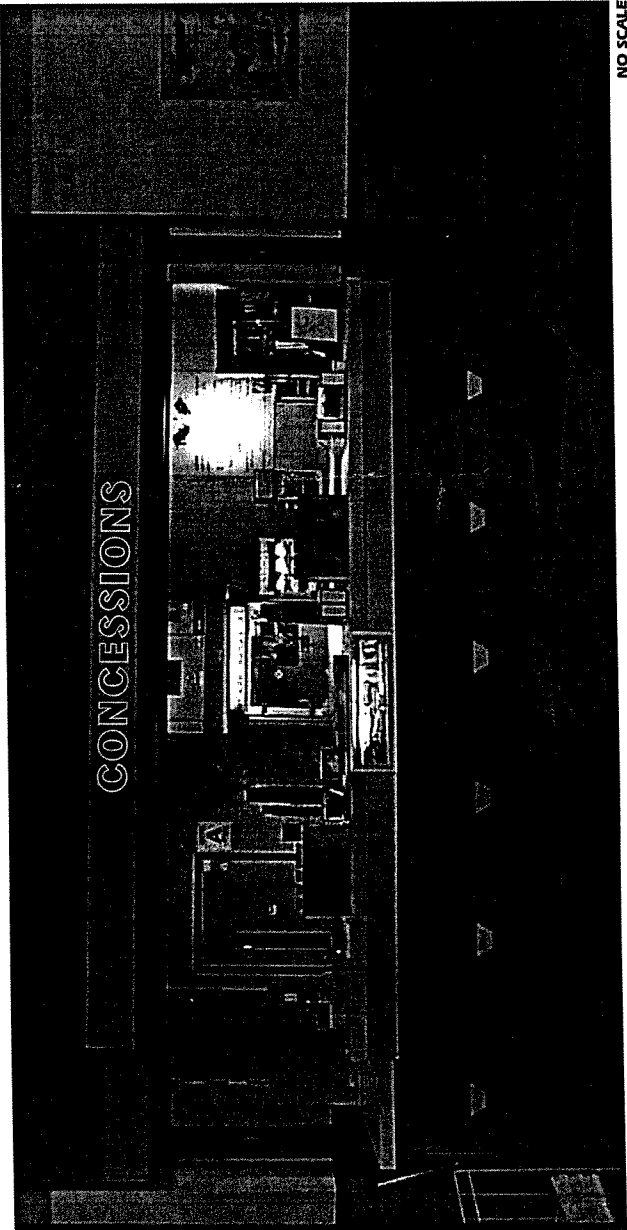
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Page: 9 Of 12

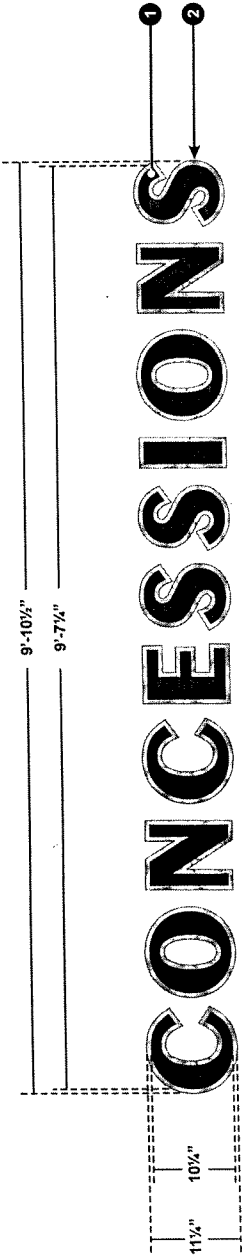
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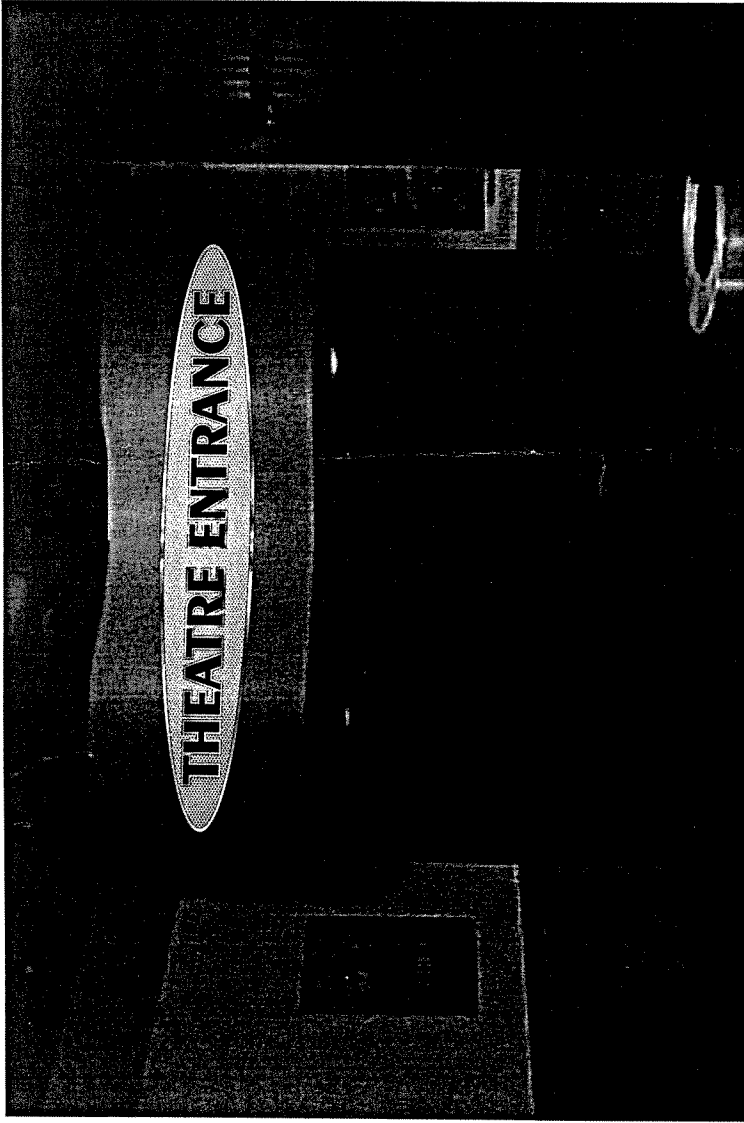


SIGN TYPE "G" - NON-ILLUMINATED SIGNAGE OVER CONCESSION AREA

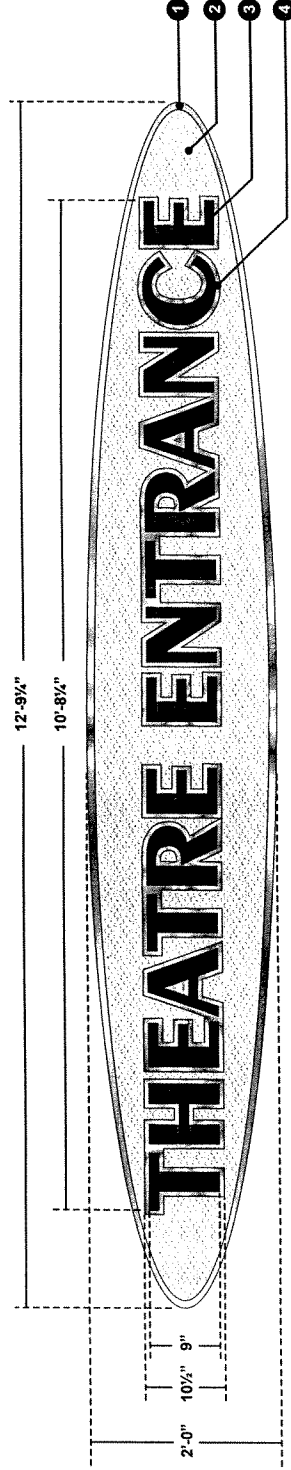
ONE SET REQUIRED

1. 1/2" THICK SINTRA PAINTED SUNBELT AUTOGLO #3110-09 METALLIC PURPLE

SCALE: 3/4" = 1'-0"



NO SCALE



SIGN TYPE "H" - NON-ILLUMINATED SIGNAGE OVER THEATRE ENTRANCE

ONE UNIT REQUIRED

1. FLAT CUT OUT "STAINLESS STEEL" WRISCO BORDER WITH 1" RETURN
2. PERFORATED METAL BACKGROUND PAINTED SUNBELT AUTOGLO #7320-05 METALLIC YELLOW
3. 1/2" THICK SINTRA PAINTED SUNBELT AUTOGLO #3110-09 METALLIC PURPLE



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Account Manager:
MICHAEL GRAY

Designer:
MS

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ONE UNIT REQUIRED

1. "STAINLESS STEEL" WRISCO BORDER WITH 1" RETURN
2. PERFORATED METAL BACKGROUND PAINTED SUNBELT AUTOGLO #1190-14 SILVER
3. FLAT CUT OUT WRISCO RESTROOM ICON WITH APPLIED VINYL GRAPHICS
4. FLAT CUT OUT "STAINLESS STEEL" WRISCO LETTERS
5. OPAQUE ROYAL PURPLE VINYL #3650-38
6. ½" THICK SINTRA PAINTED SUNBELT AUTOGLO #7320-05 METALLIC YELLOW



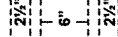
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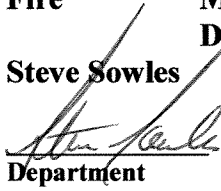
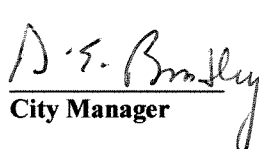

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EXISTING VINYL TO BE REMOVED. NEW VINYL TO BE OPAQUE WHITE. THE MESSAGES ON THE DOORS ARE TO BE REVERSED.
WHAT IS CURRENTLY LABELED AS THE ENTRANCE WILL BE CHANGED TO EXIT. WHAT IS CURRENTLY LABELED AS THE EXIT WILL BE CHANGED TO ENTRANCE.

**CITY OF CATHEDRAL CITY
AGENDA REPORT**

SUBJECT:	Authorization to Purchase Vehicles for Fire Department		
DEPARTMENT:	Fire	MEETING DATE: September 26, 2001	
		DEADLINE FOR ACTION: Immediate	
CONTACT PERSON:	Steve Sowles		
APPROVED:	 Department	 City Manager	 Finance

RECOMMENDATION:

That Council authorizes the City to purchase two (2) Fire Department staff vehicles due for replacement from the vehicle replacement fund.

BACKGROUND:

The Fire Department Administrative staff currently uses four vehicles to perform the day to day and emergency duties of the department. The Fire Chief and the two Division Chiefs share emergency call duties and are therefore required to be in possession of a code-three equipped staff vehicle. Adding a Chief Officer to an alarm assignment can place up to eleven personnel from our Fire Department on scene of an emergency initially. The Department Administrative Assistant has routinely been involved in recall situations requiring immediate Code Enforcement action and is expected to respond to greater alarm incidents to fill logistical needs. In addition, the Administrative Assistant commutes daily to and from City Hall and is routinely used to perform special activities which include acquisition of tools and equipment.

The Fire Chief is assigned a 1997 Ford Crown Victoria sedan and the Fire Marshal is assigned a 2000 Ford Crown Victoria Sedan. The Operations Division Chief is assigned a 1994 Ford Bronco which is the department's Command Vehicle. The Administrative Assistant uses a 1994 Ford Taurus that was made available to him after the purchase of the Fire Chief's 1997 Ford Crown Victoria. Both the 1994 Ford Bronco Command Vehicle and the 1994 Ford Taurus are due for replacement this fiscal year according to the Finance Department's vehicle replacement schedules. The Operations Division Chief Command Vehicle has an excess of 80,000 miles on the motor and drive train, many of which are code-three emergency response miles. The 1994 Taurus has nearly 70,000 miles and is regularly in the shop for repairs and maintenance. The command vehicle is designed to facilitate a Chief Officer to take command of a larger alarm incident. The vehicle is code-three equipped and has a multi-channel fire frequency radio and cell phone cradle. The vehicle also carries Incident Command vests, Incident Command worksheets, commercial occupancy pre-plans and hazardous materials resource guides.

Along with these command accessories the Chief Officer must carry their full complement of O.S.H.A. required safety clothing and a Self-Contained Breathing Apparatus. The Ford Taurus is equipped with a fire frequency radio but is not code-three equipped.

ANALYSIS:

Replacement of the 1994 Ford Bronco can be accomplished by purchasing a 2002 two-wheel drive Ford Expedition. The Ford Bronco has served well in the capacity of the command vehicle but it is no longer manufactured. The Ford Bronco has been replaced by Ford with the Expedition. A Ford Expedition would functionally serve as a command staff vehicle and would provide even more interior space for additional O.S.H.A. required safety clothing. The current Self-Contained Breathing Apparatus in the Ford Bronco could actually be mounted within a bracket in the Ford Expedition.

In the past, the Administrative Assistant has received the Fire Chief's staff vehicle for use when it was replaced. Since the Fire Chief's current staff vehicle is not due for replacement, it is our recommendation that that Fire Chief's vehicle be replaced and then kept in service as a pool vehicle and a newer Crown Victoria be purchased. Since the Administrative Assistant places fewer miles on the pool vehicle than the Fire Chief, this should extend the need for replacement of the 1997 Ford Crown Victoria in the near future although the vehicle already has 70,000 miles on it, many which are code-three.

Currently in the Code Enforcement Division of the Fire Department, there are a sufficient number of vehicles to facilitate all the Officers on duty at any given time. However on certain days of the week, the City employs a part-time Fire Inspector whose main function is to accomplish our residential smoke detector program. As you know this program generates in excess of \$30,000.00 per year to the general fund. At this time, to accomplish this program the Fire Inspector must use a Code Enforcement Officer's vehicle which leaves us unable to place all Officers in the field at one time. We recommend keeping the 1994 Ford Bronco in the fleet to facilitate this residential smoke detector program. It can also be used as a backup to the newer command vehicle in the event it is out of service for maintenance. We recommend sending the 1994 Ford Taurus to auction for resale. The newly purchased vehicles would need to be equipped with fire frequency radios and code three vehicle warning lights.

We have received a quote from Pasadena Ford who the City has used in the past for purchase of these same vehicles for the Police Department. Pasadena Ford has the current Government Sales contract for Police vehicles in Southern California. They are currently supplying vehicles for our Police Department as well as the City of Long Beach, Los Angeles County Sheriff, the California Highway Patrol and the Toulumne County Sheriff's Office. By purchasing the vehicles from Ford Government Sales via Pasadena Ford, we are assured the best price possible for these particular vehicles. Our price will be no more than the State bid's price and as in prior years, may be less depending on the final vehicle configuration and equipment. As with prior lease agreements, the local

dealer, Palm Springs Motors, has been contacted but is not able to match or provide a lesser price than this dealership.

Since both of these vehicles will be utilized for emergency response, the alternative fuel models are not recommended. In the past, Chief Officers in this department have assisted other agencies including the State Office of Emergency Services in mitigation of emergency incidents outside this region. Limiting the vehicles to alternative fuel sources could adversely impact the ability of the vehicles to operate in an agency assistance request. Emergency response vehicles have also been deemed "EXEMPT" from South Coast AQMD alternative fuel requirements.

FISCAL IMPACT:

The quoted cost to purchase and equip these vehicles is as follows: (quotes attached)

2002 Ford Crown Victoria LX	23,450.00
Sales Tax	1,758.75
CA tire tax	5.00
Sub total	\$25,213.75
2002 Ford Expedition XLT	25,450.00
Sales tax	1,908.75
CA tire tax	5.00
Sub total	\$27,363.75
Warning Lights and Sirens	3,220.00
Fire Frequency VHF Radios	1,562.62
Electronics Installation	1,725.00
Sub total	\$6,507.62
5% contingency	\$2,955.00
Total	\$62,040.12

ALTERNATIVES:

Alternatives to this recommendation would be:

1. A lease purchase of these vehicles

We have leased purchased in the past to extend funds through a three-year agreement. As with all lease purchases this would incur additional costs due to interest on the lease.

2. Hold up the purchase one more year

One more year would translate to nearly 100,000 miles on the Ford Bronco. At this time the Ford Bronco has required extensive transmission repairs and is becoming less dependable each day. It would not be recommended to use this vehicle for any extended time as an emergency incident response vehicle due to the decreasing dependability and future costly repairs.

Attachments: Quote: Pasadena Ford, 2002 Crown Victoria LX
2002 Expedition XLT

Quote: L.N. Curtis & Sons, Warning Lights and Sirens

Catalog Description: Galls Inc., Radio Console

Quote: Anderson Comm. Inc., VHF Fire Frequency Radios

Quote: Anderson Comm. Inc., Electronics Installations



August 30, 2001

Chief Mike Mengee
Cathedral City
Fire Department

Dear Chief Mengee,

Pasadena Ford is pleased to quote on the vehicles listed that your department is interested in:

2002 Ford Crown Victoria LX 4 Door Sedan

Open Color

Cloth Split Bench Seat

Cloth Rear Bench Seat

Automatic Air Conditioning

Anti Lock Brakes

Speed Control

Keyless entry

Power Passenger Seat

Power Adjustable Pedal

4.6L OHC EFI V8 Engine

Electronic Automatic Overdrive

Handling Package

.P225/60TR16 BSW Tires

.3.27 Ratio Axle

.Dual Exhaust

.Cast Aluminum Wheels

.Rear Air Suspension

Vehicle Price	\$23450.00
---------------	------------

Sales Tax @ 7.50%	1758.75
-------------------	---------

California Tire Fee	5.00 (\$1.00 per tire)
---------------------	------------------------

Total	\$25213.75
-------	------------

2002 Ford Expedition 4 x 2

Open Color

Cloth Front Bucket Seats

Vinyl Rear Bench Seat

XLT Series

Premium Am/FM

Privacy Glass

Black Power Mirrors

Air Conditioner

Styled Steel Wheels

5.4L EFI V8 Engine

Electronic 4 Speed Automatic

P255/70RX16 BSW

3.31 Regular Axle

Trailer Tow Package

Chief Mike Mengee

Page 2

Continued

Third Seat Delete

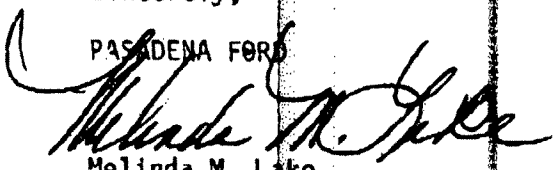
Vehicle Price	\$25450.00
Sales Tax @ 7.50%	1908.75
California Tire Fee	5.00 (\$1.00 per tire)
Total	\$27408.75

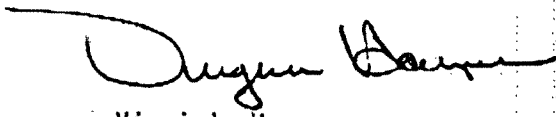
Delivery is 60/90 days after receipt of order. Terms are net 25 days after receipt of vehicles.

Should you require further information please do not hesitate to contact me at 626-793-7800 X610.

Sincerely,

PASADENA FORD


Melinda M. Lake
Government Sales Manager


Virginia Harper
Government Sales Manager

L.N.CURTIS & SONS-OAK
1800 PERALTA ST.
OAKLAND, CA. 94607-1603

Page 1 of 2 Printed At : 12:06:55 06 SEP 2001
Quote Date : Quote No. : Quote Expiration Date : Writer : Slsm : WH :
09/06/01 : 10240 : 10/06/01 : BC : JR : :

Quoted To: 012 CITY OF CATHEDRAL CITY FINANCE DEPT. 38 700 AVENIDA LALO GUERRERO CATHEDRAL CITY, CA 92234-7031	Ship To: 312-0001 CITY OF CATHEDRAL CITY FIRE DEPT. 32-100 DESERT VISTA CATHEDRAL CITY, CA 92234
--	--

Quotation Note:
D.C. MIKE MINGEE

Order	Quant	EDP Code / Description	Net Price	UM	Ext Price
28		2HCL CODE 3			
30		HIDE-A-WAY STROBE SYSTEM	192.000	EA	192.00
31	1	SL100 CODE 3			
32		100 WATT SLIM LINE SPEAKER	149.000	EA	149.00
33	1	ML1FD FED RED			
34		SINGLE MIRROR LIGHT, HALOGEN	75.000	EA	75.00
35		OR			
36					
37	1	VPRSCH101 FED			
38		VIPER LIGHT, MIRROR MOUNT	112.000	EA	112.00
39		FOR FORD CROWN VIC			
40		COLOR- RED			
41	2	VPRSCH1A FED			
42		AMBER COLOR VIPER LIGHT	99.000	EA	198.00
43					
44	2	VPRMRD01 FED			
45		REAR DECK MT KIT, CROWN VIC	26.000	EA	52.00
46					
47					
48		INC&S RETAINS OWNERSHIP AND			
49		TITLE TO ALL EQUIP. UNTIL FULLY			
50		PAID IN LEGAL MONEY OF THE			
51		U.S.A. ALL PRICES QUOTED SUBJECT			
52		TO APPLICABLE FEDERAL,			
53		STATE, COUNTY, OR CITY TAXES			
54		AND LICENSES.			

* CONTINUED *

1800 PERALTA ST.
OAKLAND, CA. 94607-1603

Page 1

Printed At : 12:06:55 06 SEP 2001

Quote Date	Quote No.	Quote Expiration Date	Writer	Slsm	WH
02/06/01	10240	10/06/01	BC	JP	1

Quoted To: 312

Ship To: 312-0001

CITY OF CATHEDRAL CITY	CITY OF CATHEDRAL CITY
FINANCE DEPT.	FIRE DEPT.
38 700 AVENIDA LALO GUERRERO	32-100 DESERT VISTA
CATHEDRAL CITY, CA 92234-7031	CATHEDRAL CITY, CA 92234

Quotation Note:
D.C. MIKE MINGLE

Qty	Order	Quant	EDP Code / Description	Net Price	UM	Ext Price
1			747A CODE 3 MX7000			
1			LIGHTBAR, 47" ALL LIGHT	999.000	EA	999.00
1			WITH THE FOLLOWING FEATURES-			
1			*ALL RED UPPER DECK OUTBOARD			
1			LENSES			
1			*CLEAR CENTER LENS			
1			*CENTER SECTION IS EMPTY			
1			*ARROWSTIK INSTALLED TO REAR			
1			WITH STANDARD CONTROL HEAD			
1			*ALLEY LIGHTS			
1			*4 STANDARD ROTATORS			
1			*2 DIAMOND MIRRORS			
1			*2 50 WATT STEADY BURN CAL			
1			RED LIGHTS TO FRONT			
1			*STANDARD MX HOOK ON MOUNT			
1			KIT			
1			*PER DRAWING PROVIDED			
1						
1			GMBTRK CODE 3			
1			ADAPTER KIT	12.000	EA	12.00
1			FOR 2002 FORD EXPEDITION			
1						
1			PREMX7000 TOMAR			
1			H/L EMITTER KIT	422.000	EA	422.00
1			TO BE INSTALLED			
1			IN CENTER SECTION OF ABOVE			
1			LIGHTBAR BY CUSTOMER			
1						
1			SS2000SS FED 100/200			
1			WATT SMART SIREN W/SS	829.000	EA	829.00
1						
1						

* CONTINUED *

L.N.CURTIS & SONS-OAK
1800 PERALTA ST.
OAKLAND, CA. 94607-1603

Printed At : 12:06:55 06 SEP 2001

Page 1 of 1		Printed At : 12:06:55 06 SEP 2001				
Quote Date	Quote No.	Quote Expiration Date	Writer	Slsm	WH	
09/06/01	10240	10/06/01	BC	JR		

Quoted To: 312
CITY OF CATHEDRAL CITY
FINANCE DEPT.
6000 AVENIDA LALO GUERRERO
CATHEDRAL CITY, CA 92234-7031

Ship To: 312-0001
CITY OF CATHEDRAL CITY
FIRE DEPT.
32-100 DESERT VISTA
CATHEDRAL CITY, CA 92234

Quotation Note
B.C. MIKE MINGEE

Ln	Quant	EDF Code / Description	Net Price	UM	Ext Price
		PRICES PLUS APPLICABLE TRANSPORTATION COSTS			
		<div> <div> PROD. # 747A </div> <div> LENGTH 47" </div> <div> </div> </div>			

Quotation Total \$3,040 00

Turn Space Between Your Seats



Custom cut to fit
your units



Armrest

Contents not included

Durable
ABS plastic

A

Galls
Price Advantage
As Low As

\$149.99

Galls Air Bag Friend StreetThunder™ Console Offer Armrest Support Extra Storage Space

Galls StreetThunder™ Consoles let you custom fit your electronic equipment hump or between bucket seats. Both consoles available with features listed below and only at Galls. Order today and organize!

- Makes your components look as if were factory installed
- Fits '92-'00 model Crown Victoria
- '91-'96 model Caprice
- Holds up to six equipment components (i.e. radio, scanner, siren, switch pack, CB and more)
- Comes with three sets of brackets - additional brackets sold separately
- Adjusts to fit individual component with widths up to 7"
- Made of black, highly durable AB plastic with steel brackets
- Eliminates equipment interfering with dual airbag deployment
- Meets D.O.T. requirements

(A) Galls StreetThunder™ Console hard top armrest for a sleek professional look. Measures 10"H x 8½"W x 28½"D.

#P-VE106.....\$1

(B) Galls StreetThunder™ Console II has a large compartment for storage of personal items and a hinged armrest that's padded for extra comfort. Measures 12½"H x 7½"W x 28½"D.

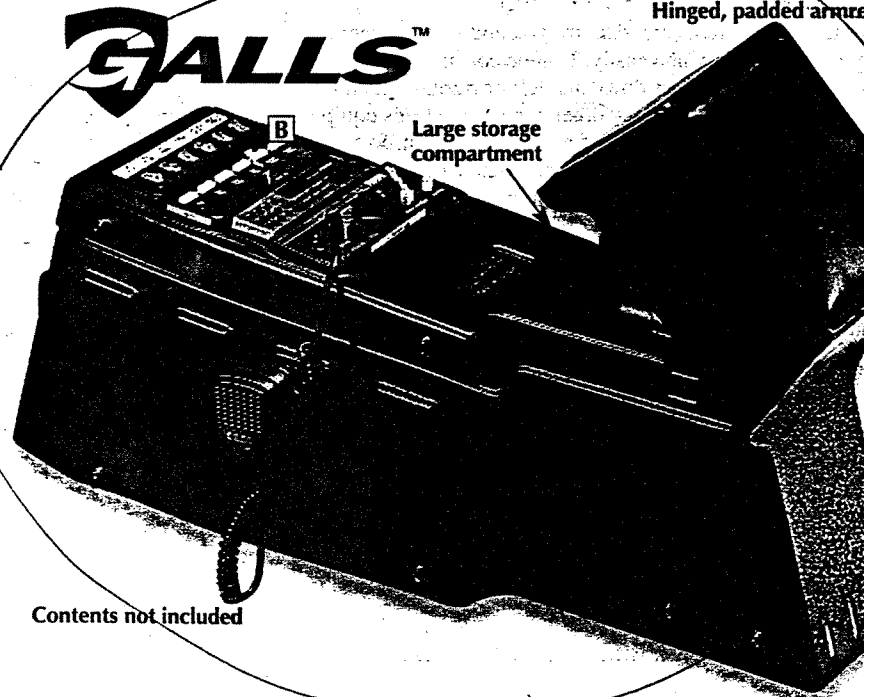
#P-VE107.....\$179.99

Additional Component Mounting Brackets are available for either console above. Order additional mounting brackets for each unit.

#P-VE108.....\$12.99 ea

No Holes Mounting Brackets for Crown Victorias makes installing above consoles convenient. Simply use front seat bolts instead of drilling holes.

#P-VE083.....\$59.99 ea



Hinged, padded armrest

Large storage
compartment

B

Contents not included



The Authority

Galls carries a wide assortment of quality national brand and exclusive products

ANDERSON COMM. INC./COMPACT
 RADIO
 74-830 VELIE WAY STE 1
 PALM DESERT, CA 92260
 PH 760-340-6364 FAX 760-568-9774

Quotation

Quote Number:
 1204

Quote Date:
 Aug 30, 2001

Page:
 1

Quoted to:

Cathedral City Fire Dept.
 32-100 Desert Vista Rd
 Cathedral City, CA 92234

Customer ID		Good Thru	Payment Terms	Sales Rep	
CATHEDRALCITYFIRE		9/29/01	Net 30 Days	AGUIRRE	
Quantity	Item	Description	Unit Price	Extension	
1.00	CDM1250	MOTOROLA CDM1250, 64 CH, 25-45 WATTS, VHF MOBILE RADIO, WITH STANDARD COMPACT MICROPHONE, MODEL # AAM25KKD9AA2-N	667.80	667.80	
1.00		VHF MOBILE ANTENNA WITH COAX CABLE	59.00	59.00	
MIKE HERE IS THE QUOTE YOU REQUESTED FOR A NEW MOBILE RADIO TO BE INSTALLED INTO THE NEW CROWN VICTORIA, IF YOU HAVE ANY FURTHER QUESTIONS PLEASE CALL JESUS AT 340-4804					
			Subtotal	726.80	
			Sales Tax	54.51	
			Total	781.31	

**ANDERSON COMM. INC./COMPACT
RADIO**
74-830 VELIE WAY STE 1
PALM DESERT, CA 92260
PH 760-340-6364 FAX 760-568-9774

Quotation

Quote Number:
1203

Quote Date:
Aug 30, 2001

Page:
1

Quoted to:

Cathedral City Fire Dept.
 32-100 Desert Vista Rd
 Cathedral City, CA 92234

Customer ID		Good Thru	Payment Terms	Sales Rep	
CATHEDRALCITYFIRE		9/29/01	Net 30 Days	AGUIRRE	
Quantity	Item	Description	Unit Price	Extension	
1.00	CDM1250	MOTOROLA CDM1250, 64 CH, 25-45 WATTS, VHF MOBILE RADIO, WITH STANDARD COMPACT MICROPHONE, MODEL # AAM25KKD9AA2-N	667.80	667.80	
1.00		VHF MOBILE ANTENNA WITH COAX	59.00	59.00	
MIKE HERE IS THE QUOTE YOU REQUESTED FOR THE NEW MOBILE RADIO TO BE INSTALLED INTO THE NEW EXPEDITION, IF YOU HAVE ANY FURTHER QUESTIONS PLEASE CALL JESUS AT 340-4804					
			Subtotal	726.80	
			Sales Tax	54.51	
			Total	781.31	

**ANDERSON COMM. INC./COMPACT
RADIO
7-850 VELIE WAY STE 1
PALM DESERT, CA 92260
PH 760-340-6364 FAX 760-568-9774**

Quotation

Quote Number:
1201

Quote Date:
Aug 30, 2001

Page:
1

Quoted to:

Cathedral City Fire Dept.
32-100 Desert Vista Rd
Cathedral City, CA 92234

Customer ID		Good Thru	Payment Terms	Sales Rep	
CATHEDRALCITYFIRE		9/29/01	Net 30 Days	AGUIRRE	
Quantity	Item	Description		Unit Price	Extension
15.00		INSTALLATION OF RADIO, LIGHBAR W/ALLEYS AND , REAR STROBES, DECALS STREET THUNDER CONSOLE, MX 7000 TOMAR EMITER.		75.00	1,125.00
		MIKE HERE IS THE QUOTE YOU REQUESTED FOR INSTALLATION OF EQUIPMENT INTO THE NEW EXPEDITION, THIS QUOTE IS FOR LABOR ONLY, CUSTOMER WILL SUPPLY ALL EQUIPMENT, IF YOU HAVE ANY FURTHER QUESTIONS PLEASE CALL JESUS AT 340-4804			
				Subtotal	1,125.00
				Sales Tax	
				Total	1,125.00

FRUIT & ANDERSON COMM. INC./COMPACT

74850 VELIE WAY STE 1
PALM DESERT, CA 92260

PH 760-340-6364 FAX 760-568-9774

Quotation

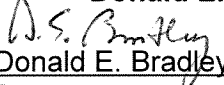

Quote Number:
1200Quote Date:
Aug 30, 2001Page:
1

Quoted to:

Cathedral City Fire Dept.
32-100 Desert Vista Rd
Cathedral City, CA 92234

Customer ID		Good Thru	Payment Terms	Sales Rep	
CATHEDRALCITYFIRE		9/29/01	Net 30 Days	AGUIRRE	
Quantity	Item	Description		Unit Price	Extension
8.00		INSTALLATION OF RADIO, SIREN, SS2000SS HEADLIGH STROBES 2HCL,VIPERMOUNT, REAR AMBER LIGH.		75.00	600.00
		MIKE HERE IS THE QUOTE YOU REQUESTED FOR INSTALLATION OF EQUIPMENT INTO THE NEW CROWN VICTORIA, THIS QUOTE IS FOR LABOR ONLY, CUSTOMER WILL SUPPLY ALL EQUIPMENT, IF YOU HAVE ANY FURTHER QUESTIONS PLEASE CALL JESUS AT 340-4804			
				Subtotal	600.00
				Sales Tax	
				Total	600.00

**CITY OF CATHEDRAL CITY
CITY COUNCIL
AGENDA REPORT**

SUBJECT:	SUPPORT FOR THE TRAFFIC CONGESTION RELIEF ACT INITIATIVE		
DEPARTMENT:	City Manager	MEETING DATE:	Sept. 26, 2001
CONTACT:	Donald E. Bradley	DEADLINE FOR ACTION:	N/A
APPROVED:	 <u>Donald E. Bradley</u> Department	<u>Donald E. Bradley</u> City Manager	 <u>Dudley B. Haines</u> Finance

RECOMMENDATION:

That the City Council take action to adopt the attached Resolution supporting the Planning and Conservation League's Initiative for November 2002 and asking all citizens of Cathedral City to join in such support.

BACKGROUND:

At the September 10, 2001 Study Session Mr. Rob Parkins appeared seeking support for the Traffic Congestion Relief Act Initiative proposed by the Planning and Conservation League as a state-wide effort. Among other purposes, the act if approved by the California voters would provide the long desired funding means to finally initiate inter-city rail between the Coachella Valley and Los Angeles. It was also pointed out that the initiative was being brought forward now so that the Agua Caliente Tribe could measure local sentiment so they could determine whether they wished to be a financial backer of the initiative. During that meeting, the Council expressed interest to have this resolution of support brought forward to this meeting for possible action.

In the interim, this initiative was briefly discussed at the CVAG Technical Advisory Committee (TAC) meeting. The Executive Director reported that some concerns had been expressed by RCTC/SANBAG regarding the initiative, primarily that it could conceivably be viewed as a competing ballot measure to one that may be on the same ballot to ask local voters to extend the Measure "A" sales tax measure. Following the meeting, she sent their staff analysis which is attached for your review, as is a summary of the act and the actual act itself.

Notwithstanding, the potential conflict in the mind of the voter, it is suggested that the benefits that would be enjoyed by the Coachella Valley as far as intercity rail are sufficient to provide support to the initiative at this point. With the projected growth of the Valley, the rising truck and other traffic on I-10, clean air concerns, and as an alternative to foreign fuel dependence, intercity rail will become that much more attractive over the long term to local citizens. Further, this initiative should be attractive to state-wide voters so that it provides another potential revenue source to help address local Coachella Valley transportation related issues, since even if Measure A passes, it is not expected to provide all the revenue necessary to meet the needs of this area.

FISCAL IMPACT:

None directly on the City of Cathedral City by this action tonight. However, should the initiative pass, it would provide additional means through which local transportation measures could potentially be addressed.

ATTACHMENTS:

1. Resolution 2001 -
2. RCTC/SANBAG Staff Analysis
3. Summary of the Traffic Congestion Relief Act
4. Traffic Congestion Relief Initiative Text

(TLM) DONALD BRADLEY\AGENDA REPORTS\CONGESTION RELIEF ACT 09 26 01

RESOLUTION NO. 2001-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CATHEDRAL CITY, CALIFORNIA IN SUPPORT OF THE PLANNING AND CONSERVATION LEAGUE TRAFFIC CONGESTION RELIEF ACT INITIATIVE.

WHEREAS, the City of Cathedral City has a demonstrated interest in preserving Air Quality through reduced vehicle emissions; and

WHEREAS, the provision of an alternative form of transportation that would lead to the reduction of vehicle travel contributes to this objective; and

WHEREAS, as a member City of CVAG, the City of Cathedral City received the "Coachella Valley Passenger Rail Feasibility Study" in February 1999, wherein it was determined that rail transportation from Los Angeles to the Coachella Valley was feasible; and

WHEREAS, the Planning and Conservation League is proposing a state-wide initiative that contains a provision for funding intercity passenger rail service from Los Angeles to the Coachella Valley to reduce traffic congestion on Interstate 10, if there is sufficient interest and support for such a project in the Coachella Valley; and

WHEREAS, the Planning and Conservation League's Initiative proposes to accomplish this objective without imposing any new taxes through an allocation of 30% of the state share of the sales tax on new or used cars and trucks.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Cathedral City, California, hereby declares the following:

The City of Cathedral City, through it's Mayor and City Council resolve to support the Planning and Conservation League's Initiative for November 2002, and asks all citizens of this great City to join in such support.

SECTION 1. That the City Clerk shall certify to the passage and adoption of this Resolution; shall enter the same in the book of original Resolutions of said City; and shall make a minute of passage and adoption thereof in the records of the proceedings of the City Council of said City, in the minutes of the meeting at which Resolution is passed and adopted.

APPROVED AND ADOPTED this _____ day of _____, 2001.

GEORGE STETTLER, MAYOR

ATTEST:

DONNA M. VELOTTA, CITY CLERK

APPROVED AS TO FORM:

APPROVED AS TO CONTENT:

STEVE QUINTANILLA
CITY ATTORNEY

DEPARTMENT HEAD

REVIEWED:

DONALD E. BRADLEY
CITY MANAGER



MOUNT SAN JACINTO WINTER PARK AUTHORITY

August 28, 2001

VIA FAX

Mr. Donald Bradley, City Manager
City of Cathedral City
68-700 Avenida Lalo Guerrero
Cathedral City, CA 92234

Attention: Ms. Teri McKeating, Executive Secretary

Dear Mr. Bradley, *Don*

SUBJECT: CITY COUNCIL/STUDY SESSION APPEARANCE

While I'm in the transportation business, this letter has to do with a different form of people-movement.

I am requesting an appearance before your Mayor and City Council to seek their support for the Traffic Congestion Relief Act Initiative proposed by the Planning and Conservation League as a statewide effort. The Act, if adopted, would provide the long desired funding means to finally initiate inter-city rail between our Valley and Los Angeles.

This effort, as you know, has been one that has been pursued since, I believe, the Earth started to cool.....but, at least for the last ten years.

I would appreciate your consideration. Please give me a call if you have any questions.

Sincerely,

Rob W. Parkins
General Manager

Enclosure (1)

RWP:hs

cc: Mr. Dana W. Reed, via FAX
Mr. Carl H. Schiermeyer, via FAX

Bred

COACHELLA VALLEY ASSOCIATION of GOVERNMENTS

facsimile
TRANSMITTAL

To: City Manager **From:** Corky Larson

cl

Pages: 37, including this cover sheet.

Date: September 14, 2001

Dear TAC Member:

Here is the RCTC/SANBAG analysis of the proposed PLC Initiative. The facts are correct. I do not agree with all of the opinion in the analysis.

I have also included the actual act. Please note that the act specifically indicates a station in Indio. See page 13 of the act.

Tom Davis is correct in stating that they have put sweeteners in for areas of big voting population *or* who have the ability to raise funds for a passage campaign.

From the desk of...

Corky Larson
73-710 Fred Waring Dr.
Palm Desert, CA 92260
760-360-0860

Planning and Conservation League
Traffic Congestion Relief Act Initiative
RCTC/SANBAG Analysis of the Initiative

The Traffic Congestion Relief Act (TCRA) sponsored by the Planning and Conservation League (PCL), is a statewide initiative that is tentatively scheduled for the November 2002 General Election. The TCRA allocates 30% of the State's share of the sales tax on motor vehicles (cars and trucks), approximately \$810 million, to "transportation improvements." The TCRA distributes the revenues on a percentage basis to 14 categories of "transportation" projects.

It is important to note that PCL has modified the TCRA on several occasions. Initially, the TCRA allocated the State's entire share of the sales tax on motor vehicle sales and leases and sales tax on gasoline totaling \$2.7 billion to 16 categories. The first revision of the TCRA maintained the 16 categories but called for "off the top" funding for a number of high priority projects. With the State Legislature passing a Constitutional Amendment to be considered by the California voters to dedicate the sales tax on gasoline to transportation, PCL dropped that element from the latest revision to the TCRA. Also, PCL reduced the sales tax on motor vehicles to 30% of the State's share, thus leaving approximately \$810 million available for the remaining 14 categories and kept many of the high priority projects, albeit at far lesser allocations.

Furthermore, it has been speculated that a contributing factor to the reduction to 30% of the State's share of the sales tax is because of what special interests, including local government, public employee unions, law enforcement, among others, thought would be an extreme impact on the State General Fund. The concern being that in spite in the inclusion of intent language within the TCRA that no interest should be negatively impact should the measure pass, any loss in state revenues would need to be recovered at some point and that recovery may come at the expense of any one of the above mentioned interests. This concern is reduced commensurately with the reduction to 30% of the State's share of motor vehicle sales tax revenue but does not go away entirely as the State has a history of balancing the State budget at the expense of local government.

Additionally, PCL has crafted the TCRA so that when the State's General Fund revenue does not grow adequately to cover the cost of the TCRA program, the allocations to the categories are suspended. Theoretically, this clause was included to protect local government, education, law enforcement, among other interests from experiencing reductions in order to keep the TCRA whole. However, this requirement may prove to be problematic, particular for large multi-year construction projects or on-going programs that require an annual allocation in order to continue construction or operate transit services.

Finally, while the title of the initiative is the Traffic Congestion Relief Act, even a liberal interpretation of the measure's 14 expenditure categories, shows that only 64% of the \$810 million in revenues may be used for traffic congestion relief while the remaining 36% must be used for environmental or safety purposes or for special public transit. It is not that these areas are not important but that by calling the measure the Traffic Congestion Relief Act, one might consider that the sponsor is purposely deceiving voters who believe they are voting for a measure that funds a full \$810 million annually for traffic congestion relief.

The following is a summary of the 14 categories and the funding that may be received by San Bernardino County and Riverside County jurisdictions.

Congestion Bottlenecks: 15% - \$122 million/year - This funds road or public transit improvement projects in urban areas that increase the flow of traffic along existing roads with priority going to projects that were included in the Traffic Congestion Relief Program as part of AB 2928.

After taking funding off the top for several "priority" projects, the California Transportation Commission is responsible for granting the balance of the funds and must comply with existing law of allocating 60% of the funds to southern California and 40% to northern California. The TCRA does not include a requirement to ensure that counties receive a "county minimum" as is the case in the State Transportation Improvement Program process, so to assume that each County will receive its' fair share is not accurate. Due to population density requirements included in this section of the TCRA, all cities in the San Bernardino County high desert, and the City of Big Bear, are not eligible recipients of these funds as is the case for 4 western Riverside County and 6 CVAG cities.

Transit Operations: 14% - \$130 million/year - This category dedicates a substantial revenue source to all forms of public transit. This can include operations costs for bus service, light rail, commuter rail, and funds needed to maintain and rehabilitate transit equipment and facilities.

These funds are distributed consistent with current Public Transit Account methodology that dictates 50% of the revenues go to the state for transit programs, such as Inter-city rail and the other 50% to transit operators based on population and revenue miles. Riverside County operators and San Bernardino County operators could anticipate receiving \$3.3 million and \$3.7 million respectively.

Transit Capital: 23% - \$186 million/year - This money can be used to make station improvements, increase access for cyclists, pedestrians, and the disabled to bus stations and lines, as well as buy buses, train sets, rail cars, construct new rail lines, improve existing lines, make seismic retrofit repairs, make track and signal improvements, and purchase rail rights of way.

The California Transportation Commission allocates funding based on a cost-effectiveness criteria to be adopted by the CTC and consistent with 60/40 south-north split. However, the TCRA lists several high priority projects that receive funding off the top including 4 northern California projects receiving a total of \$80 million for the first 9 years of the program leaving approximately \$100 million to be split 60/40 and with no county minimum guarantees.

Seniors and Disabled/Dial-a-Ride: 3% - \$24 million/year - This is a major expansion of operating and capital funding for the transit-dependent and other individuals. The program could fund several types of services, including dial-a-ride, dedicated service, jitneys, and more. It would enhance mobility and access for California's elderly population.

These funds are allocated to regional transportation planning agencies consistent with current statute and are then used to fund claims from transit operators for qualifying services. The allocation for RCTC is an estimated \$600,000 annually and for SANBAG an estimated \$700,000 annually.

Rail/street Grade Separations: 3% - \$24 million/year - This program provides money to expand the state's significantly underfunded grade separations programs. Grade separations improve traffic flow, freight flow, passenger rail, and air quality, and reduce noise.

High priority projects receive \$15 million for the first three years of the program with the balance of funds being allocated to the Public Utility Commission to fund grade separation projects on a PUC priority list. There is no south/north split requirement. Grade separation construction projects range from \$15 million to in excess of \$30 million.

Environmental Enhancement and Mitigation: 10% - \$81 million/year - This fund mitigates the impact of transportation systems on the environment. It can fund the acquisition and creation of a wildlife corridor and related trail systems to mitigate for transportation's effects on wildlife migration. Eligible projects also include the preservation of land, pedestrian, bicycle, and wildlife crossings, flood control improvements relating to transportation facilities, and landscaping, forestation and recreational improvements to public park lands near major transportation corridors.

This funding is allocated to the State Resources Agency to award grants to public entities and non-profit organization to undertake environmental enhancement and mitigation activities. Riverside County is the recipient of one of this section's high priority projects in the amount of \$1 million/year for 19 years for implementation of the Riverside County Integrated Plan. High priority projects receive \$20 million annually for the first 10 years of the program leaving \$61 million to split on the 60/40 south-north split. There is no county minimum requirement.

Water Quality Transportation Enhancements: 2% - \$16 million /year - This mitigation fund is specific to the effect that transportation systems have on water quality.

The funds in this account are allocated to the State Water Resources Control Board for capital outlay projects and grants. There is no south/north split requirement.

Clean Fuel Bus/Heavy Duty Engines: 3% - \$24 million/year - This category creates a permanent, ongoing funding source for the Carl Moyer program. Aimed primarily at reducing diesel exhaust, these monies can fund the incremental cost difference between natural gas buses and diesel buses, purchase particulate traps for older diesel trucks and buses, repower truck and bus engines (replacing diesel engines with natural gas engines), and finance the full purchase of natural gas buses.

These funds are allocated to the California Air Resources Board and Air Quality Management Districts to fund grants as part of the Carl Moyer program.

Bicycle and Pedestrian Infrastructure and Safety: 4% - \$32 million/year - This fund provides infrastructure money for bicycle and pedestrian projects, including bike lanes, pedestrian and bike paths, and signals. It provides money to law enforcement to enforce speed limits and pedestrian safety laws in heavily used pedestrian and bike routes. This money can also be used for paratransit needs at school bus stops. (3 separate programs: bikes, pedestrians, enforcement).

Of the \$32 million, 75% or \$24 million is allocated to Regional Transportation Planning Agencies on a per capita basis to be used for bicycle and pedestrian projects. The Riverside County Transportation Commission would receive \$1.1 million and the San

Bernardino Associated Governments would receive \$ 1.6 million annually. The remaining 25% or \$8 million is allocated to the Office of Criminal Justice Planning for grants to law enforcement agencies for increased speed limit enforcement along heavily used bicycle and pedestrian routes. This section includes a 60/40 south-north split but no county minimum requirement.

Intercity Rail Capital and Operations: 4% - \$32 million/year - This money can go toward the operation of intercity and commuter rail service, such as the San Diegan, San Joaquin, ACE train, the Capitol Corridor program, Metrolink, the Coaster, and Caltrain. It can acquire rolling stock, construct new rail lines, and improve existing lines to benefit passenger rail service. Placing the intercity rail projects in their own category means that bus and light rail projects will be more competitive in the transit capital and transit operations categories.

Riverside County, specifically the Coachella Valley, is the beneficiary of the single high-priority project designated for funding in this section of the TCRA, a seven-year allocation of \$15 million annually for a total of \$105 million to implement intercity rail service from Los Angeles to Indio. These funds must first be expended on passenger station construction at two locations in the Coachella Valley with a combined estimated price tag of \$15 million, then two 5-car/1-locomotive train sets at an estimated cost of \$36 million, and finally track and signal improvements stretching from Los Angeles to Indio. The likelihood is that the allocation will suffice for 2/3rds of the capital cost associated with starting this service but there is no other source of funding identified for the balance of capital costs nor is there a certainty of operating funds being available due to competition from the San Diegan and Capitol Corridor inter-city services which would have priority pursuant to the TCRA because these corridors parallel far more congested highway corridors.

The TCRA requires that this section be split 60%, or \$19.2 million, for commuter rail service and 40% or \$12.8 million for inter-city service.

Rural Public Transit: 2% - \$16 million/year - This fund provides services for the transit-dependent who live in rural areas. Dial-a-ride, dedicated service, and jitney service could be funded here in order to meet the needs of persons with disabilities and other health problems, seniors, students, and persons with low incomes who do not drive motor vehicles. It can also fund bus and other transit services for those without transit dependency.

Riverside County and San Bernardino County do not qualify under this program as the TCRA cites State statute that specifically identifies the rural counties that are eligible to receive this funding and Riverside and San Bernardino are not among them.

Transit-Oriented Development Incentives: 3% - \$24 million/year - This category will support mixed use development within 1/3 of a mile of transit hubs, including affordable housing, office space, retail that shares parking with the transit station, day care centers, and libraries.

The Secretary of the Business, Transportation, and Housing Agency allocates this funding to Regional Transportation Planning Agencies with populations in excess of 1,000,000 and densities of 1000 persons per square mile. One interpretation of the TCRA is that an RTPA must pass both of these tests to receive an allocation. If that is the case, neither Riverside County nor San Bernardino County qualify because of the

density requirement. If one or the other test is met, specifically the 1 million population, the Riverside County Transportation Commission would receive approximately \$1.1 million, and the San Bernardino Associated Governments would receive approximately \$1.6 million for capital outlay projects to develop public use facilities associated with rail and bus transit stations.

Native American Road Safety: 6% - \$49 million/year - This program offers grants to improve and maintain the safety of roads on and leading to Native American sovereign lands, to provide staging areas for public transportation services to these lands, and for capital outlay and operating funds to provide public transportation service to these lands.

These funds are allocated by CALTRANS pursuant to recommendations by the department's Native American Advisory Board for grants to improve and maintain roads on and leading to sovereign lands and public transportation services.

School Bus Replacement: 8% - \$65 million/year - This program replaces unsafe and highly polluting school buses, and provides funds so that school districts can provide safe student transportation, reducing the need for parents to drive their children to and from school, thus reducing congestion.

These funds are allocated to the State Department of Education for a competitive grant program to replace old, polluting school buses. There is no south-north split requirement nor is there a requirement that these funds only be allocated to local school districts in severe air-quality non-attainment areas although presumably the California Air Resources Board would recommend this as one criteria for receiving these funds.



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• [Find Zero Emission Vehicles and Air Quality Resources here.](#)

• [Find information on AB 321 here.](#)

TRAFFIC CONGESTION RELIEF ACT INITIATIVE



SUMMARY

The **Traffic Congestion Relief Act (TCRA)** would allocate 30% of the state share of the sales tax on new and used cars and trucks to a new trust fund for transportation improvements around the state. This fund would generate approximately **\$810 million a year**. The TRCA does not impose new taxes or create new bureaucracies. It does require accountability, by requiring an annual audit of the funds, and by creating a citizen oversight committee.

Traffic congestion and transportation infrastructure are two of the most urgent issues in California, affecting nearly every aspect of our economy and limiting future potential growth. A recent California Transportation Commission survey found that **California needs to invest \$100 billion or more** if we are to even begin to solve our transportation problems. This is absolutely vital to the continued health of California's economy, and the quality of life of its citizens.

The **Traffic Congestion Relief Act** is designed to provide transportation alternatives to make it possible for people to get to work and make other trips faster, transport their children more safely, maintain our streets and roads, build new transit and road infrastructure and reduce the air and water pollution impacts of transportation.

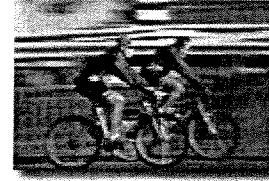


Dedicated Transportation Programs in the TCRA:

- ⌘ eliminate roadway traffic bottlenecks
- ⌘ build new light rail and bus services to reduce traffic congestion in every region
- ⌘ provide operating funds for transit
- ⌘ expand transportation options for seniors and the disabled

- ⌘ improve traffic safety by reducing congestion
- ⌘ reduce the air and water pollution impacts of streets and highways
- ⌘ ensure safe, clean buses and safe pathways for children to get to school

The TCRA includes protects funding for K-14 education programs and holds the state budget harmless during economic downturns.



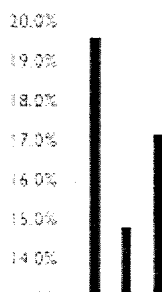
FACT SHEETS, TEXT AND RESOURCES

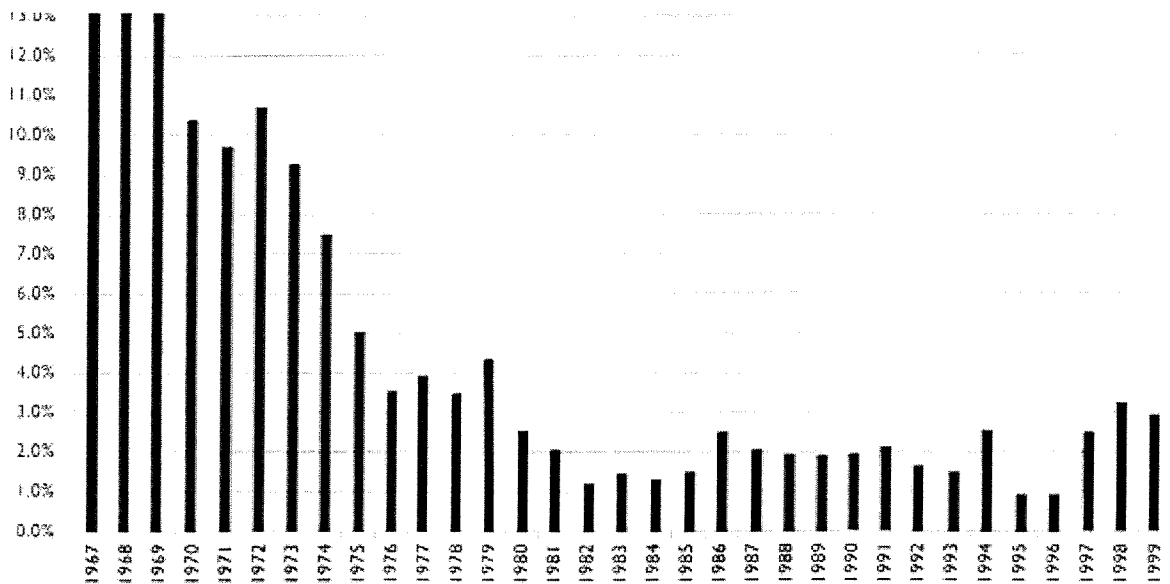
- ⌘ Traffic Congestion Relief Act Initiative Text
 - ⌘ Questions and Answers About The Traffic Congestion Relief Act
 - ⌘ Summary of Funding Categories from Sales Tax on Motor Vehicles (table)
 - ⌘ The Funding Categories of the Traffic Congestion Relief Act: A Brief Summary
 - ⌘ General Fund Aspects of the Traffic Congestion Relief Act
 - ⌘ California's Infrastructure Expenditures as a Percentage of Total State Budget
 - ⌘ Kids Use Their Feet Instead of Cars -Countywide Safe Routes to Schools Program, Results Show 57% Increase in Walking and Biking
- An article from Marin County Bicycle Coalition:
<http://www.bikadelic.com/mcbc/index.html>
Safe Routes to Schools:
<http://www.SafeRoutestoSchools.org>

QUESTIONS?

Please e-mail Eddy Moore at emoore@pcl.org or call him at 916-313-4519.

California's Capital Outlay as a Percentage of Total State Budget

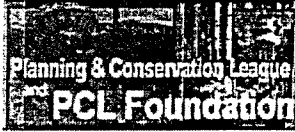




Source: Governor's Budget Summary, 1999-2000, p. 22. Excludes federal funds.

The above bar chart shows the shocking decline in expenditures of state funds on Capital Outlay. This includes spending on building schools, water treatment facilities, wastewater treatment plants, parks, roads, transit systems, and all the other physical attributes of a civilized society. The decline in construction is matched by a similar decline in spending to maintain what we already have. For example, the City of Sacramento should repave 20 miles of streets per year, so that each street would be repaved at least once every 50 years. In fact, Sacramento repaves only 4 miles of streets a year. If this keeps up long enough, the streets of Sacramento and every other city in California will revert to dirt or gravel. This is already happening to the paved roads in the rural parts of some counties!

This woeful lack of spending cannot be allowed to go on, especially in the face of continued rapid growth in California's population. The economy of the state, as well as our quality of life, depends on a well maintained and expanding infrastructure.



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TRAFFIC CONGESTION RELIEF ACT INITIATIVE



TRAFFIC CONGESTION RELIEF INITIATIVE TEXT 09-04-01 VERSION

PLEASE NOTE: ALL PERCENTAGE AND DOLLAR ALLOCATIONS FOR SPECIFIC PROJECTS AND PROGRAMS ARE FOR EXAMPLE ONLY, AND WILL UNDOUBTEDLY CHANGE AS THIS MEASURE DEVELOPS. SOME WILL INCREASE, SOME WILL DECREASE, AND SOME WILL BE DELETED. OTHERS WILL BE ADDED. MANY OTHER CHANGES WILL UNDOUBTEDLY ALSO BE MADE.

Your comments are welcome. Please e-mail Jerry Meral at PCL: jmeral@pcl.org. Thanks.

SECTION 1. The People of the State of California find and declare all of the following:

(a) Traffic congestion threatens to strangle economic growth in many parts of California. It threatens our safety, reduces productivity, impairs family life, restricts the movement of people, goods, and services, and is a source of endless frustration to motorists and other travelers.

(b) Reducing highway bottlenecks will reduce traffic congestion.

(c) Public transportation can reduce traffic congestion by giving people an alternative to driving.

(d) The existing state share of the sales tax paid on the sale and lease of motor vehicles is an appropriate source of revenue to pay for transportation-related improvements because the purchasers of motor vehicles will directly benefit from all the programs financed by this act.

(e) Assuring the wider availability of public transportation for those who cannot drive due to age, disability, or economic

circumstance is good public policy, and will promote economic development and individual self-sufficiency.

(f) Transportation-related accidents are a cause of death, injury, and property damage for many Californians. Children walking and taking bikes to school must have safe walkways, paths, and bikeways. By making roads safer for pedestrians, bicyclists, and motorists, economic loss will be reduced, and the health and safety of Californians will be improved.

(g) By providing funds for school bus replacements, school districts will be able to increase the number of clean, safe buses they utilize, reducing the need for parents to drive their children to school. This will provide cleaner air relating to transportation emissions, and reduce traffic congestion.

(h) By promoting the continued and expanded use of railroads for the movement of passengers and freight, traffic congestion and air pollution will be reduced due to more efficient movement of goods and people.

(i) Air pollution generated by transportation is a serious health threat to most people in California. Technologies exist and are being developed that can reduce this air pollution, and they urgently need financial support for their implementation.

Water pollution generated from road surfaces and transportation related development must also be controlled, to reduce contamination of drinking water supplies and coastal waters.

(j) The impact of transportation on the natural environment can be severe, and it is appropriate to use public revenues that are related to transportation to reduce or eliminate these impacts through an environmental enhancement program similar to the Environmental Enhancement and Mitigation Program.

SECTION 2. Section 13984 is added to the Government Code, to read:

13984. (a) For purposes of this section, the following terms shall have the following meanings:

(1) "Rail or bus transit" means any of the following: light rail, commuter rail, heavy rail, or intercity rail, or bus transit ways or lines with service, no less than every fifteen minutes during peak traffic congestion periods.

(2) "Public use facilities" means all of the following:

(A) Street, sidewalk, and pedestrian crosswalk improvements within one-third mile of a rail or bus transit station or stop.

(B) Rail or bus transit station amenities, including, but not limited to, artwork, benches, pedestrian and bicycle overpasses and tunnels, accommodations in compliance with the Americans with Disabilities Act of 1990 (Public Law 101-336), elevators, escalators, and bicycle parking and motor vehicle parking structures, that enable increased rail or bus transit station use. Parking structures must offer preferential

parking to rail or bus transit users.

(C) Child care centers, libraries, community rooms, restrooms, and other public facilities and public spaces that serve or are accessible to rail or bus transit users.

(D) Acquisition of land to implement projects qualifying for grants under this section.

(E) Multi-modal facilities, including, but not limited to, infrastructure to accommodate connections to bus lines, other rail or bus transit lines, jitneys, taxis, tour buses, pedestrian facilities, and bikeways.

(F) Facilities to accommodate publicly owned low emission motor vehicles at rail or bus transit stations, including, but not limited to, recharging stations, secure parking, and storage facilities.

(G) Traffic light synchronization controllers near rail or bus transit stations.

(H) The cost of relocation assistance required to implement any of the projects listed in this subdivision, up to 10 percent of the total cost of the project.

(I) Remediation of contaminated lands to implement any of the projects listed in this subdivision, if there is, at least in part, no party responsible for remediation or the state is itself a responsible party.

(3) "Project" means a mixed-use housing and business development that is within 1/3 mile of a rail or bus transit station that includes at least two of the following elements:

(A) Housing.

(B) Retail.

(C) Office space.

(b) The purpose of this section is to pay for public use facilities in order to improve the financial feasibility of private development projects located at rail or bus transit stations serving housing and employment centers, and thereby to increase rail or bus transit use.

(c)(1) The secretary shall develop a program which shall be implemented by regional transportation planning agencies to develop public use facilities associated with transit stations as part of proposed projects that will increase rail or bus transit ridership in a cost-effective manner.

(2) A project shall be given preference under this section if it meets any of the following criteria:

(A) The project has received a density bonus from a local land use agency.

(B) The project includes a parking facility that is shared by rail or bus transit users and users of the proposed project.

(C) The project has reduced parking requirements due to the increased use of rail or bus transit resulting from close association with a rail or bus transit station.

(3) Each application for a grant from a local public agency (including but not limited to cities, counties, cities and

counties, transportation agencies, redevelopment agencies, and housing authorities) shall be accompanied by all of the following:

(A) A development plan for the rail or bus transit station and adjacent project, including, but not limited to, a description of the involvement of private developers willing to implement the development plan.

(B) A letter from the owner of the rail or bus transit station indicating a willingness to cooperate in implementation of the proposed project.

(C) A report indicating the station area zoning and densities allowed at the rail or bus transit station and the immediately surrounding area.

(d) Each public agency receiving a grant for a project that includes housing pursuant to this section shall assure that not less than 20 percent (20%) of the money is for projects that include housing for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code. Highest priority shall be given to grant applications that include a commitment for matching contributions for local agency programs that provide incentives to construct this and other types of housing, and to projects that help correct imbalances in the ratio of jobs to housing in the area in which the project is to be developed.

(e) At least fifty percent (50%) of the funds spent pursuant to this section shall be for housing projects that meet the other requirements of this section.

(f) The secretary shall adopt regulations to implement this section, including a definition of "peak traffic congestion period". Those regulations shall not be subject to review or approval of the Office of Administrative Law or subject to any other requirement of Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code.

SECTION 3. Section 7105 is added to the Revenue and Taxation Code, to read:

7105.(a) All of the following shall occur on a quarterly basis:

(1) The State Board of Equalization, in consultation with the Department of Finance, shall estimate the amount that is transferred to the General Fund under subdivision (b) of Section 7102 that is attributable to revenue collected for the sale and lease of new and used motor vehicles. For purposes of this section, "sale and lease" does not include rental of motor vehicles.

(2) The State Board of Equalization shall inform the Controller, in writing, of the amount estimated under paragraph (1).

(3) Upon receipt of the notice required under paragraph (2), the Controller shall transfer 30 percent (30%) of the amount estimated under paragraph (1) from the General Fund to the Congestion Relief Transportation Trust Fund (hereinafter

referred to as the "fund"), which is hereby established in the State Treasury.

(b) Notwithstanding Section 13340 of the Government Code, the following percentages and specified amounts of the money in the fund shall be continuously appropriated to the Controller without regard to fiscal years, and shall be transferred by the Controller to the following accounts, which are hereby established in the fund:

(1) Fifteen percent (15%) to the Congestion Bottleneck Account, for transfer by the Controller to the California Transportation Commission, to be expended as follows:

(A) (1) To the Traffic Congestion Relief Fund for the projects listed in Section 14556.40 of the Government Code. Any money transferred under this paragraph and not expended during the fiscal year during which it was transferred shall revert to the Congestion Bottleneck Account and shall be available for reallocation in accordance with subparagraph (B).

(2) The California Transportation Commission may adjust the total amount to be allocated to each project listed in Section 14556.40 of the Government Code pursuant to the authority conferred in subdivision (f) of Section 14556.20 of the Government Code. Money shall be transferred quarterly to the Traffic Congestion Relief Fund from the Congestion Bottleneck Account in such amounts as are needed in the aggregate for reimbursing each applicant the cost of the current phase of the project, in accordance with the schedule of allocations for each project approved by the California Transportation Commission pursuant to Section 14556.20 of the Government Code. Applicants, including the Department of Transportation, for grants from the Traffic Congestion Relief Fund shall make maximum effort to seek local, private, and federal funds to assist in the completion of these projects. If only a study or a specific part or phase of a project is authorized for a project listed in subdivision (a) of Section 14556.40 of the Government Code, only the study or the specific part or phase shall be financed, and no other part or phase of the project shall be financed from the Traffic Congestion Relief Fund. Grants shall be made from the Traffic Congestion Relief Fund only for studies for projects listed in paragraphs (6), (12), (15), 22, (25), (114), (121), and (154) of subdivision (a) of Section 14556.40 of the Government Code. Money allocated by paragraph (2) of subdivision (a) of Section 14556.40 of the Government Code shall be used for the purposes of paragraph (1) of subdivision (a) of Section 14556.40 of the Government Code.

(B)(i) Any money reverted to the Congestion Bottleneck Account under subparagraph (A) shall be reallocated by the Commission for expenditure on state, regional, or local highway and street projects that improve the flow of traffic

within an existing roadway by adding high-occupancy vehicle or high-occupancy toll lanes where none is present, or accomplishing other, similar traffic flow improvement strategies.

(ii) All money expended pursuant to this subparagraph (B) shall be expended within the city limits of cities, or within urbanized parts of counties that have population densities of not less than 1,000 persons per square mile.

(iii) Sixty percent (60%) of the money reallocated pursuant to this subparagraph shall be expended in County Group 2 and forty percent (40%) shall be expended in County Group 1.

(C) Notwithstanding the requirements of subparagraphs (A) and (B), money in the Congestion Bottleneck Account shall first be allocated to the following projects:

(i) To the San Diego Association of Governments, ten million dollars (\$10,000,000) per year during the 2003-2004 to 2012-2013, inclusive, fiscal years for traffic congestion relief projects serving the Sorrento Valley and Sorrento Mesa areas, including improvements to the Sorrento Valley interchange with Interstate 5, pedestrian facilities, improved public transportation, and street improvements. First priority shall be a rail grade separation project at or near the Sorrento Valley Coaster Station to facilitate access from Sorrento Valley and Sorrento Mesa to Interstate 5.

(ii) To the Orange County Transportation Authority, ten million dollars (\$10,000,000) per year during the 2003-2004 to 2010-2011, inclusive, fiscal years for improvements to the intersections of Alton Road and State Route 55, and Jamboree and Barranca Roads. Design and construction shall be carried out by the jurisdiction within which the projects exist.

(iii) To the City and County of San Francisco Golden Gate Park Concourse Authority, ten million dollars (\$10,000,000) per year during the 2003-2004 to 2006-2007, inclusive, fiscal years for the construction of improvements in the Music Concourse area of Golden Gate Park, within which the California Academy of Sciences and the M. H. de Young Memorial Museum are situated. Such funds must be expended in accordance with the provisions of Proposition J, approved by the voters of the City and County of San Francisco in 1998. Improvements to the Concourse shall enhance the natural, scenic and recreational values of the Park and, in coordination with other Concourse-area improvement projects, these funds may be used for transportation, bus parking, area parking management, and environmental improvements which will reduce the impact of automobiles in Golden Gate Park while assuring safe, reliable and convenient access for visitors to the park.

(iv) To the City of Irvine, ten million dollars (\$10,000,000) per year during the 2003-2004 to 2007-2008, inclusive, fiscal

years for the development, construction (including construction of parking structures), and acquisition and operation of Remote Airport Terminals, and the acquisition of vehicles for the system, connecting the City of Irvine to Los Angeles International Airport, John Wayne Airport, Long Beach Airport, Ontario International Airport, and other airports in Southern California.

(v) To the State Department of Transportation, twelve million five hundred thousand dollars (\$12,500,000) per year during the 2003-2004 to 2009-2010, inclusive, fiscal years for improvements needed to extend the Highway 110 Transitway from its existing northerly terminus to Los Angeles Union Station via a northern extension to the Interstate 10, easterly to Alameda Street, and northerly along Alameda Street to an interface with the existing El Monte Busway terminus at Los Angeles Union Station.

(vi) To the State Department of Transportation, five million dollars (\$5 million) for the earthquake retrofit and improvement of the interchange of Interstate 5 at Laval Road.

(2)(A) Fourteen percent (14%) to the Transit Operations and Maintenance Account, for allocation in accordance with Sections 99312, 99313, and 99314 of the Public Utilities Code for the operation of bus, light rail, or commuter rail services and to maintain and rehabilitate transit equipment and facilities. For purposes of this paragraph, commuter rail services include but are not limited to the Bay Area Rapid Transit, CalTrain, Altamont Commuter Express, Coaster, and Metrolink systems.

(B) (i) In order to receive any allocation pursuant to this section, a public agency receiving money pursuant to this paragraph shall annually expend from its general fund for public transportation and road purposes an amount not less than the annual average of its expenditures from its general fund during the 1996-97, 1997-98, and 1998-99 fiscal years, as reported to the Controller pursuant to Section 2151 of the Streets and Highways Code, and as increased by the consumer price index. For purposes of this subparagraph, in calculating a public agency's annual general fund expenditures and its average general fund expenditures for the 1996-97, 1997-98, and 1998-99 fiscal years, any unrestricted money that the public agency may expend at its discretion shall be considered expenditures from the general fund.

(ii) For any public agency created on or after July 1, 1996, the Controller shall calculate an annual average of expenditure for the period July 1, 1996, to December 31, 2000, inclusive, that the public agency was in existence. For public agencies created after 2000, the Controller may select an appropriate period of analysis.

(iii) For purposes of subparagraph (B)(ii), the Controller may

request fiscal data from public agencies in addition to data provided pursuant to Section 2151, for the 1996-97, 1997-98, and 1998-99 fiscal years. Each public agency shall furnish the data to the Controller not later than 120 days after receiving the request. The Controller may withhold payment to public agencies that do not comply with the request for information or that provide incomplete data.

(iv) The Controller may perform audits to ensure compliance with subparagraph (B)(ii) when deemed necessary. Any public agency that has not complied with subparagraph (B)(ii) shall reimburse the state for the money it received during that fiscal year. Any money withheld or returned as a result of a failure to comply with subparagraph (B)(ii) shall be reallocated to the other public agencies whose expenditures are in compliance.

(v) If a public agency fails to comply with the requirements of subparagraph (B)(ii) in a particular fiscal year, the public agency may expend during that fiscal year and the following fiscal year a total amount that is not less than the total amount required to be expended for those fiscal years for purposes of complying with subparagraph (B)(ii).

(3)(A) (i) Twenty three percent (23%) to the Transit Capital Account, for allocation by the California Transportation Commission to projects that construct or improve light and commuter rail lines, build fueling stations for public transportation systems, purchase rolling stock and buses, construct other transit facilities, including, but not limited to, facilities needed to store and maintain equipment, and to purchase rights of way for public transportation projects.

(ii) One half of one percent of the funds in the Account shall be used for capital improvements on short line railroads which will result in reductions in traffic congestion and air pollution, as determined by the Commission. The Commission shall consult with the California Air Resources Board in making determinations about reductions in air pollution. The Commission shall adopt regulations or guidelines to implement this subparagraph. Regulations or guidelines adopted under this subparagraph shall not be subject to review or approval of the Office of Administrative Law or subject to any other requirement of Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code.

(iii) Sixty percent (60%) of the remaining money in the Transit Capital Account shall be expended in County Group 2 and forty percent (40%) shall be expended in County Group 1. This calculation shall be made after expenditures from the Account for projects listed in subparagraph (D).

(B) Money allocated under this paragraph may not be used to construct administrative headquarters or other facilities that do not directly serve rail and bus transit users.

(C) The California Transportation Commission shall allocate

the money based on cost-effectiveness criteria, to be adopted by the commission as guidelines or regulations, that prioritize projects that reduce vehicle miles traveled or slow the rate of growth in vehicle miles traveled. Regulations or guidelines adopted under this subparagraph shall not be subject to review or approval of the Office of Administrative Law or subject to any other requirement of Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code.

(D) Notwithstanding the limitations in subparagraphs(i) and (iii) of subparagraph (A) and subparagraph (C), money in the Transit Capital Account shall first be allocated to the following projects:

(i) To the Peninsula Corridor Joint Powers Board, thirty million dollars (\$30,000,000) per year during the 2003-2004 to 2012-2013, inclusive, fiscal years for the extension of CalTrain from its present northern terminal to the Transbay Terminal in San Francisco.

(ii) To the Sacramento Regional Transit District, ten million dollars (\$10,000,000) per year during the 2003-2004 to 2012-2013, inclusive, fiscal years for the extension of light rail service to Sacramento International Airport.

(iii) To the City and County of San Francisco, ten million dollars (\$10,000,000) per year during the 2003-2004 to 2012-2013, inclusive, fiscal years for extension of the municipal railway system to Chinatown.

(iv) To the Transbay Joint Powers Authority, thirty million dollars (\$30,000,000) per year during the 2003-2004 to 2013-2014, inclusive, fiscal years for the reconstruction and modernization of the Transbay Terminal in San Francisco.

(v) To the Tahoe Transportation District, six million dollars (\$6,000,000) per year during the 2003-2004 to 2004-2005, inclusive, fiscal years for the purchase of alternatively fueled boats, fueling stations, and dock improvements, for the implementation of waterborne transportation service on Lake Tahoe. The Agency shall coordinate its efforts with the Tahoe Metropolitan Planning Organization. All land based facilities for this project shall be located in California. The Agency shall only undertake this project if the project reduces traffic congestion, and air and water pollution in the Lake Tahoe Basin, taking into account trip reduction by private passenger cars. Up to five percent (5%) of the funds may be used to plan the project. The Agency may contract for the operation of waterborne transportation service with a public agency or private contractor. Up to \$100,000 may be used for development of a parking management plan for the Lake Tahoe Basin including parking for the waterborne transportation passengers. The Agency may use one million dollars (\$1,000,000) for the establishment of a dedicated, permanent operating reserve, the interest from which may

only be used to pay for part of the operation of the service.

(vi) To the Port of Redwood City, five million dollars (\$5,000,000) per year during the 2003-2004 to 2004-2005, inclusive, fiscal years for the purchase of ferries and for dock improvements for ferry service between Redwood City and San Francisco. The Agency may use \$x million for the establishment of a dedicated, permanent operating reserve, the interest from which may be used to pay for part of the operation of the service. The Agency may contract for the operation of ferry service with a public agency or private contractor. Ferries acquired shall use the best available air and water pollution control technology for vessels which can be used in this type of service.

(4) Three percent (3%) to the Senior and Disabled Transportation Account, for allocation in accordance with Sections 99268.3, 99268.4, 99268.5, 99268.9, 99275, and 99275.5 of the Public Utilities Code, to be used to provide transportation to seniors and people with disabilities otherwise unable to drive or take regularly scheduled public transportation. Notwithstanding any other provision of law, twenty percent (20%) of the grants annually awarded pursuant to this program authorized by this paragraph shall be awarded to cities, counties, cities and counties, and other public agencies on a matching fund or service basis. If sufficient matching contributions are not available to use twenty percent (20%) of the grants, the remaining money shall be used for grants to public agencies that cannot provide matching contributions.

(5)(A) Three percent (3%) to the Rail Grade Separations Account, for allocation in accordance with Sections 190, 2450, and 2452 of the Streets and Highways Code, to be used to separate rail lines from streets, roads, and highways.

(B) First priority for use of the money allocated under this paragraph (7) shall be for the creation of grade separations across existing heavy rail lines, based on the amount of traffic congestion that would be relieved by installing the grade separation. High priority shall be given to projects which serve ports, since these projects reduce the need for truck traffic.

(C) Money allocated under this paragraph (5) may be used to accommodate bicycles and pedestrians in grade separation projects.

(D) Notwithstanding the restrictions in subparagraphs (A) and (B), money in the account shall first be allocated to the following project:

(i) To the Southern California Regional Rail Authority, ten million dollars (\$10,000,000) per year during the 2003-2004 to 2006-2007, inclusive, fiscal years for grade separations at Sand Canyon Road and Harvard Avenue. Construction shall be carried out by the jurisdictions within which the projects exist.

(6)(A) (1) Ten percent (10%) to the Transportation Impacts Mitigation Trust Fund, to be allocated in accordance with Section 164.57 of the Streets and Highways Code. At least one million dollars (\$1,000,000) shall be expended in each fiscal year by the Resources Agency on facilities that assist wildlife in safely crossing transportation corridors, in order to increase motorist safety and promote connectivity among wildlife populations. At least one million dollars (\$1,000,000) shall be expended in Metropolitan Statistical Areas, as defined by the Department of Finance, each fiscal year by the Department of Food and Agriculture in accordance with subdivision (f) of Section 164.57 of the Streets and Highways Code.

(2) Sixty percent (60%) of these wildlife and agricultural funds shall be expended in County Group 2 and forty percent (40%) shall be expended in County Group 1.

(B) Notwithstanding paragraph (A) and the restrictions of Section 164.57 of the Streets and Highways Code, the following amounts shall first be allocated from the Transportation Impacts Mitigation Trust Fund:

(i) To the City of Irvine, ten million dollars (\$10,000,000) per year during the 2003-2004 to 2014-2015, inclusive, fiscal years for the creation of a wildlife corridor and related trail systems connecting the Laguna Coast Wilderness Park and Crystal Cove State Park to the Orange County Central Park and Nature Preserve; and for infrastructure, landscaping, forestation and recreational improvements for the Orange County Central Park and Nature Preserve, to mitigate the effects of Interstates 5 and 405 and other roads that interfere with wildlife migration in this area; and for bicycle and pedestrian crossings of streets and flood control improvements relating to transportation facilities along the Jeffrey Open Space Spine.

(ii) To the Baldwin Hills Conservancy, one million dollars (\$1,000,000) per year during the 2003-2004 to 2012-2013, inclusive, fiscal years for acquisition of lands in the Baldwin Hills to mitigate the effect of La Cienega Boulevard and other major transportation corridors in and near the Baldwin Hills and to construct pedestrian, bicycle, and wildlife crossings over La Cienega Boulevard and other transportation corridors.

(iii) To Riverside County, one million dollars (\$1,000,000) per year during the 2003-2004 to 2022-2023, inclusive, fiscal years for the implementation of the Riverside County Integrated Plan, which provides funds to acquire wildlife habitat to mitigate the effect of transportation and transportation-related development in Riverside County.

(v) To the San Joaquin River Conservancy, five hundred thousand dollars (\$500,000) annually, to be expended by the conservancy and at the direction of the Conservancy on projects for operations, maintenance, land acquisition, and

facilities. Of this amount, the San Joaquin River Conservancy shall make not less than twenty-five percent (25%) available to non-profit organizations in Fresno and Madera County that are organized for the primary purpose of conservation and education of the San Joaquin River for projects that meet the requirements of this section. These expenditures are necessary because of the impacts of state highways and freeways such as State Routes 99, 41, and other transportation corridors.

(vi) To the Orange, Riverside, and San Bernardino Counties, one million dollars (\$1,000,000) to each county per year during the 2003-2004 to 2012-2013, inclusive, fiscal years for implementation and environmental enhancement of the Santa Ana River Trail and Parkway. These expenditures are necessary because of the impacts of state highways and freeways such as Interstate 10, State Routes 91, 71, 60 and 22, and many other state and local roads that have negatively impacted the environmental quality of the Santa Ana River.

(vii) To the Santa Monica Mountains Conservancy, seven millions dollars (\$7,000,000) each fiscal year, to be expended by the conservancy, and at the direction of the Conservancy, by any joint powers agencies of which the conservancy is a member, on projects that meet the requirements of this section and Section 164.57 of the Streets and Highways Code, including the operation and maintenance of the land acquired and facilities constructed pursuant to this section. These expenditures are necessary because of the impacts of state highways and freeways such as Interstate 10, State Routes 134, 101, 1, and many other state and local roads that have negatively impacted the environmental quality of the Santa Monica Mountains, and other lands that are to be preserved by the Conservancy and its public agency partners.

(viii) To the California Department of Parks and Recreation, \$500,000 (five hundred thousand dollars) per year for grants to the City of Sacramento and the County of Sacramento for the acquisition of land, and operation and maintenance of the American River Parkway, including trails, to promote greater use of the parkway. Better maintenance and greater safety in the Parkway will promote increased use of the Parkway by people going to and from work, reducing driving on Interstates 50 and 80, and local arterials.

(7) Two percent (2%) to the Transportation Water Quality Account, for expenditure pursuant to Section 164.58 of the Streets and Highways Code.

(8)(A) Three percent (3%) to the Air Quality Account for allocation to the Carl Moyer Memorial Air Quality Standards Attainment Program established under Chapter 9 commencing with Section 44275) of Part 5 of Division 26 of the Health and Safety Code.

(B) If the California Air Resources Board determines that

money is no longer needed for the Carl Moyer Memorial Air Quality Standards Attainment Program, seventy-five percent (75%) of the money that would otherwise be deposited in the Air Quality Account shall be transferred to the Bicycle efficiency account and twenty-five percent (25%) shall be transferred to the Pedestrian Account, to be used for the purposes of those accounts.

(9) Two percent (2%) to the Bicycle efficiency account, to be allocated for bicycle projects pursuant to Section 894.5 of the Streets and Highways Code:

(10) One percent (1%) to the Pedestrian Account, to be allocated for projects to facilitate pedestrian utilization and pedestrian safety projects pursuant to Section 894.5 of the Streets and Highways Code and to accommodate paratransit needs at school bus stops.

(11)(A) Four percent (4 %) to the Intercity and commuter Rail Capital and Operations Account, to be allocated by the California Transportation Commission to the Department of Transportation, to be used for the operation of commuter and intercity rail service, to acquire rolling stock, to rehabilitate rail service, to construct new rail lines, and to improve existing lines to benefit passenger rail service.

(B) Forty percent (40%) of the money allocated by paragraph (A) shall be allocated to commuter rail, to provide improved service that generally parallels congested segments of freeway corridors. Sixty percent (60%) of the money allocated by paragraph (A) shall be allocated to intercity rail, with highest priority given to service that generally parallels congested freeway corridors. The calculation required by this paragraph shall be made after the expenditures required by paragraph (C) have been made. Any expenditure made to rehabilitate commuter or intercity rail systems shall be in compliance with AB 1396, as it was introduced in the 2001-2002 session of the Legislature.

(C) (i) Notwithstanding the requirements of paragraph (B), first priority for the expenditure of the money allocated pursuant to this subparagraph (11) shall be an allocation of fifteen million dollars (\$15,000,000) per year during the 2002-2003 to 2009-2010, inclusive, fiscal years to the State Department of Transportation, for the following project to reduce traffic congestion on the Interstate 10 and other highway corridors, and to improve highway and rail passenger safety. The project shall include capital outlay for intercity passenger rail service from Los Angeles via Fullerton and Colton, to Palm Springs and Indio, including the following components: two trainsets each consisting of at least five cars and one locomotive; track and signal improvements to facilitate passenger rail trains serving Palm Springs and Indio; one passenger rail station at Ramon Road in the mid-Valley section of the Coachella Valley; and one passenger rail station near Jackson Street in

the east-Valley section of the Coachella Valley in Indio. Passenger rail stations shall include platforms, passenger stations, any necessary parking and tunnels, and other station amenities. First priority for expenditure shall be the development of passenger rail stations for this service. The city or reservation within which each station is located may elect to manage the design and construction of these stations, subject to the design and financial approval of the State Department of Transportation.

(ii) The State Department of Transportation shall contract with AMTRAK (National Passenger Rail Corporation) to operate this intercity service and shall seek support for the operation of this service from all federal funding sources, including, but not limited to, AMTRAK and the United States Department of Transportation.

(12)(A) Two percent (2%) to the Rural Transportation Account, to be allocated pursuant to Section 99628 of the Public Utilities Code, to be used to improve the mobility of people living in rural areas who cannot drive motor vehicles.

(B) First priority for expenditure of the money allocated under this subparagraph (14) shall be to serve persons with disabilities and other health problems, seniors, students, and persons with low incomes who do not drive motor vehicles.

(13) Three percent (3%) to the Transit Oriented Development Account, to be allocated by the Secretary of the Business, Transportation, and Housing Agency on the basis of population to Regional Transportation Planning Agencies with populations over 1,000,000 persons and population densities greater than 1,000 persons per square mile, for capital outlay projects to develop public use facilities associated with rail and bus transit stations, in accordance with the competitive grant program established under Section 13984 of the Government Code.

(14) One percent (1%) to the Bicycle and Pedestrian Safety Law Enforcement Account, to be allocated by the Office of Criminal Justice Planning for grants to state and local law enforcement agencies to increase enforcement of speed limit and other traffic safety laws along heavily used pedestrian and bicycle routes. The highest priority for grants shall be given to routes financed under the Safe Routes to School Program established under Section 2333.5 of the Streets and Highway Code. The Office of Criminal Justice Planning may adopt guidelines or regulations to implement this paragraph. The guidelines or regulations are not subject to the review and approval of the Office of Administrative Law or subject to any other requirement of Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code. Sixty percent (60%) of the money in the Bicycle and Pedestrian Safety Law Enforcement Account shall be expended in County Group 2 and forty percent (40%) shall be expended in

County Group 1.

(15) Six percent (6%) to the Native American Traffic Safety Account, to be allocated by the Department of Transportation pursuant to recommendations by the Department's Native American Advisory Board, for grants to improve and maintain the safety of roads on and leading to Native American sovereign lands, to provide staging areas for public transportation services to these lands, and for capital outlay and operating funds to provide public transportation service to these lands. These transportation services are provided to improve access to these lands for residents, employees, and visitors, and to better enable the residents of these lands to gain access to health care, educational opportunities, and employment. Grants may be made to public agencies, federally recognized Indian tribes, or organizations made up of these tribes.

(16) (A) Eight percent (8%) to the California Department of Education for grants to school districts for the purchase or lease of school buses in the following order of priority: First, to replace pre-1977 school buses to meet federal safety standards. Second, to replace pre-1987 school buses to meet pollution control standards. Third, to replace the oldest buses built after 1987 or to increase fleet size. Grants shall be made on a competitive basis, and the criteria for awarding grants shall be determined in consultation with the California Air Resources Board.

(B) Grants awards shall be made only for the purchase of new buses that certify to the lowest achievable emission levels for criteria pollutants. School districts with fewer than 500 students may request relief from this requirement. Grant awards may include funding for refueling infrastructure.

(C) School districts shall be required to pay \$10,000 in matching funds per bus, but school district matching funds may be obtained from other agencies or applicable programs. Grantees must demonstrate that replaced buses built prior to 1977 will be destroyed. Grantees must demonstrate that replaced buses built prior to 1987 will be destroyed or removed from use anywhere in the state. Any regulations adopted to implement this paragraph shall not be subject to the review or approval of the Office of Administrative Law and shall not be subject to any other requirement of Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code.

(c) Money allocated as a grant under this section or expended by a state agency may be used as matching contributions to meet the requirements of any local, state, or federal transportation program, to the extent allowed by those programs.

(d)(1) If the recipient of money under this section fails to

comply with the terms of the grant the agency making the grant may initiate an action to rescind the grant, and recover the money granted to the recipient, together with interest as computed on deficiency assessments.

(2) Any money recovered under this subdivision shall be deposited in the account from which it was awarded and shall be available for appropriation for the purposes of the account from which it was awarded, and for no other purpose.

(3) The initiation of an action pursuant to this subdivision does not preclude the imposition of any fine, forfeiture, or other penalty, or the undertaking of an administrative enforcement action pursuant to any other provision of law or regulation.

(e) The Controller may transfer money from the fund for purposes expressly authorized in subdivision (b), and for the limited purposes set forth in Section 13985 of the Government Code, and for no other purpose.

(f) In the event of damage to transportation facilities in California due to an earthquake occurring subsequent to the effective date of this measure, the governor may utilize money from the Fund for up to twelve months after the date of the earthquake to repair damage to those facilities from that earthquake.

(g) No money in the fund may be used for debt service for general obligation bonds issued for transportation purposes pursuant to Chapter 17 (commencing with Section 2700), or Chapter 19 (commencing with Section 2703) of, Division 3 of the Streets and Highways Code, or bonds issued pursuant to Chapter 6 (commencing with Section 99690) of Part 11.5 of Division 10 of the Public Utilities Code, or for any existing or future general obligation bonds that the state authorizes or issues.

(h)(1) Any state or local public agency named in this section to receive an allocation from the fund may request the Treasurer to sell revenue bonds secured by the revenue streams authorized by this section for those agencies. The Treasurer is authorized to sell those revenue bonds, and shall take into consideration the possible operation of subdivision (f) and Section 13985 of the Government Code in determining the amount of revenue bonds which may be sold. Nothing in this section authorizes the sale of general obligation bonds without a vote of the people.

(2) The revenue generated from the bonds authorized under this subdivision shall be deposited in the Transportation Revenue Bond Account, which is hereby established in the fund, and, upon appropriation, shall be transferred by the Treasurer to the agency that requested the sale of the bonds, to be used solely for the purposes authorized for the revenue used to secure the bonds, subject to all other provisions in this section regarding authorized expenditures.

(i) Money in the fund shall not be used to replace money that

was previously planned, programmed, or approved by a local or regional transportation entity or a city, county, or city and county for street, highway, transit, or other transportation purposes. No money in the fund shall be allocated under this section to any local or regional transportation entity or any city, county, or city and county that does not maintain the level of funding in Fiscal Year 2001-2002, adjusted for inflation by the Consumer Price Index, for street, highway, transit, or other transportation projects.

(j) Expenditures made pursuant to this section may include the costs directly related to the mitigation of a project financed pursuant to this section. No expenditure shall be made of any money made available pursuant to this section for any mitigation costs required by federal or state law or a local ordinance for any project that was not financed pursuant to this section.

(k) Emissions reductions resulting from the part of a project financed under this section may not be used under any local, state, or federal emissions averaging or trading program to offset or reduce any emissions reduction obligation that is effective at the time the project is financed. Emissions reductions resulting from the part of a project financed under this section may not be banked under any local, state, or federal emissions banking program.

(l) It is the goal of this section that money be disbursed quickly and efficiently. All applications for grants of money from state agencies shall be clear, simple, understandable, and as short as possible. All applications for grants shall be processed quickly and approved or rejected within 180 days of submission. Unsuccessful applicants shall be given guidance as to how to change their applications to gain approval. This guidance may also be provided in a way that allows applicants to change pending applications before they are subjected to approval or rejection.

(m) Not later than December 31 of each year, each state agency receiving money from the fund, including the Controller, shall publish a list of all projects approved under this section during the preceding fiscal year. The report shall include for each project a description of the project, the amount of annual reductions in air emissions or water pollution estimated to result from the project, if any, and the effect of the project on traffic congestion, if any. The report shall be transmitted to the Governor and the Legislature, and shall be available to the public, including through the Internet.

(n) Any project that receives money from the fund shall by appropriate signage at the project site and through publicity inform the public about the use of money from the fund. The signage shall indicate that the source of the money was a voter-approved initiative, passed in 2002. The Secretary of the Business, Transportation and Housing Agency shall develop

regulations to implement this section. Those regulations shall not be subject to the review or approval of the Office of Administrative Law and shall not be subject to any other requirement of Chapter 3.5 (commencing with Section 11340) of Division 3 of Title 2 of the Government Code.

(o) In implementing this section, each agency allocating money from the fund, and each agency receiving money from the fund shall give preference to contracting with the California Conservation Corps or Community Conservation Corps, as defined in and certified pursuant to Section 14507.5 of the Public Resources Code, in undertaking work financed pursuant to this section to the extent that the Corps have the capability of carrying out the programs to be implemented by the agencies.

(p) Every project undertaken pursuant to this section shall comply with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(q) Construction projects or works of improvement for facilities that are paid for in part or in whole using money from the fund shall be considered public works projects subject to Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code and shall be regulated by the Department of Industrial Relations in the same manner in which it carries out this responsibility under the Labor Code.

(r) Section 99683 of the Public Utilities Code applies to all rail and bus capital outlay projects undertaken pursuant to this section.

(s) Expenditures from the fund shall be subject to an annual audit by an independent commission composed of five members appointed by the Governor, and one each appointed by the Speaker of the Assembly and the Senate Committee on Rules. The commission shall elect its own chair. The members shall serve without pay, but may receive per diem as determined by the Department of Finance. The costs of the commission, including the costs of the audit, shall be paid with money in the fund by the Controller before allocation to the accounts in the fund, as specified in this section.

(t) The audit required under subdivision (s) shall include review of the administration of the program and expenses incurred, including, but not limited to, the initial start-up costs of the program. The independent commission created under subdivision (s) shall contract with a private auditing firm to conduct the audit. On completion of the audit, that commission shall immediately report to the Governor, the Legislature, and the public the results of the audit. Each state agency that administers any part of the program authorized under this section shall report to the Governor, the Legislature, and the public its response to the results and

recommendations of the audit within 90 days of completion of the audit. If the audit recommends a reduction in the cost of administering the program, the agency shall reduce its administrative costs or provide a written explanation to the Governor and the Legislature explaining why the administrative expenses cannot be reduced.

(u) The money in the fund shall be considered part of the amount of "General Fund revenues which may appropriated pursuant to Article XIII B", as that phrase is used in paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution.

(v) Except as expressly authorized under this section, money may not be transferred between or among the accounts established under subdivision (b) or between or among the funds named in this section.

(w) Money made available by this section may not be used for projects that result in a decrease in the existing level of pedestrian and bicycle access or safety features along and across a street, road, railway, highway, or bridge.

(x) Money made available by this section may be used to supplement other money in order to complete a capital outlay project, or to operate a transportation system.

(z) If a project or program is eligible for funding from more than one account under this section, it may receive funding from more than one account for a single project or program.

(aa) Unless otherwise specified in this section, notwithstanding Section 13340 of the Government Code, all money in funds and accounts created by this section allocated to any state and local agencies by this section are continuously appropriated to those agencies without regard to fiscal years.

(bb) If a statute transfers any money from the account to any other account, fund, or other depository, directly or indirectly, within ninety days of the effective date of the statute the Controller shall transfer an amount equivalent to the amount of the transfer from the General Fund to the account. There is hereby appropriated from the General Fund an amount necessary to make any transfer required by this subdivision.

(cc) It is the intent of the voters that money provided by the State of California to cities, counties, and special districts not be reduced by the Legislature as a result of this measure.

(dd) No agency shall expend more than three percent (3%) of the money available to it pursuant to this section on the administration of those funds.

(ee) For purposes of this section, County Group 1 and County Group 2 are those county groups as defined in Section 187 of the Streets and Highways Code

(ff) In allocating money pursuant to this section that is distributed by the formula specified in subdivision (ee), agencies, including the Controller, granting the money shall

distribute the money in proportion to the population of each county.

(gg) Any bill or statute that alters the flow of revenue governed by Sections 7102 or 7105 of the Revenue and Taxation Code in a manner different than the provisions of the initiative measure that added this section to the Revenue and Taxation Code shall be void and without force or effect. Any bill or statute that interferes with the intended operation of the provisions of the initiative measure that added this section to the Revenue and Taxation Code with respect to the flow of money or in any other way shall be void and without force or effect.

SECTION 4. Section 894.5 is added to the Streets and Highways Code, to read:

894.5. (a) (1) Five percent of the funds in the Bicycle Efficiency Account in the Congestion Relief Transportation Trust Fund, established under paragraph (9) of subdivision (b) of Section 7105 of the Revenue and Taxation Code shall be allocated to the Department of Health Services, to be used for bicycle education, safety and promotion programs, in partnership with the University of California through the Physical Activity Health Initiative, or any successor to that program.

(2) The remaining money in the Bicycle efficiency account shall be allocated on a per capita basis to the regional transportation planning agencies. A bicycle project shall be eligible for funding only if it primarily benefits bicycle commuters or students traveling to K-12 schools, colleges or universities, rather than recreational users; and if the project increases the efficiency or safety of bicycle travel.

(3) Regional transportation planning agencies may spend these funds for the following purposes:

(A) Striping or restriping highway lanes or widening outside lanes to better accommodate bicycles; or building or striping highway bicycle lanes. Highest priority shall be given to projects on arterial streets.

(B) Converting streets from one way to two way to better accommodate bicyclists.

(C) Signage and stenciling to indicate the right of bicyclists to use the roadway.

(D) bicycle parking devices; racks, carriages and other means of storing bicycles on buses, trains or ferries; facilities to improve bicycle parking, bicycle rental availability or bicycle repair services near transit stops;

(E) marking, adjusting, or replacing traffic signal actuation devices, such as inductive loops, to improve detection of bicycles;

(F) Implementation of training programs and instructional materials intended to teach bicyclists how to operate their

bicycles as vehicles on public roadways or to inform the general public or others about the needs, rights and responsibilities of bicyclists.

(G) Other projects which directly benefit bicycle commuters.

(4) Regional transportation planning agencies may spend up to 20% of the funds received pursuant to this paragraph on the planning, design, maintenance, right-of-way acquisition or construction of paved multi-use paths meeting the standards for Class I bikeway if the bikeways are primarily used to reduce trips which would be otherwise taken in automobiles. A bikeway funded wholly or in part under this paragraph is not a trail for the purposes of Section 831.4 of the Government Code.

(b) (1) The money in the Pedestrian Account in the Congestion Relief Transportation Trust Fund, established under paragraph (10) of subdivision (b) of Section 7105 of the Revenue and Taxation Code, shall be allocated on a per capita basis to the regional transportation planning agencies for sidewalk and rural walkway projects that primarily benefit pedestrians.

(2) A sidewalk project shall be eligible for funding only if it is in an urbanized area with the highest priority given to projects that complete gaps in existing sidewalks with significant pedestrian traffic. Repair of an existing sidewalk is not eligible for funding pursuant to this section.

(3) A rural walkway project shall be eligible for funding only if it is along a road that is heavily used by pedestrians or bicycling children on a suggested route to school, or if the project is in support of public transit use and is within one third mile of transit stops in rural areas.

(4) High priority for funding for pedestrian projects shall be given to projects that are eligible for the "Safe Routes to School" construction program established under Section 2333.5.

(c) If a regional transportation planning agency does not spend funds received for bicycle or pedestrian projects pursuant to this section within seven years, the funds shall be returned to the account from which it came, and shall be redistributed in accordance with this section.

(d) No funds from this section may be used on any project which increases the motor vehicle capacity of a highway, street, or road.

SECTION 5. Section 2106 of the Streets and Highways Code is amended to read:

2106. (a) A sum equal to the net revenue derived from one and four one-hundredths cent (\$0.0104) per gallon tax under the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301) of

Division 2 of the Revenue and Taxation Code) shall be apportioned monthly from the Highway Users Tax Account in the Transportation Tax Fund among the counties and cities as follows: (a) Four hundred dollars (\$400) per month shall be apportioned to each city and city and county and eight hundred dollars (\$800) per month shall be apportioned to each county and city and county.

(b) (1) Commencing on July 31, 2001, and on the last day of each month after that date, to and including June 30, 2006, the sum of six hundred thousand dollars (\$600,000) per month shall be transferred to the Bicycle efficiency account in the State Transportation Fund.

(2) After June 30, 2006, the sum of four hundred sixteen thousand six hundred sixty-seven dollars (\$416,667) shall be transferred on the last day of each month after that date to the Bicycle efficiency account in the State Transportation Fund.

(c) The balance shall be apportioned, as follows:

(1) A base sum shall be computed for each county by using the same proportions of fee-paid and exempt vehicles as are established for purposes of apportionment of funds under subdivision (d) of Section 2104.

(2) For each county, the percentage of the total assessed valuation of tangible property subject to local tax levies within the county which is represented by the assessed valuation of tangible property outside the incorporated cities of the county shall be applied to its base sum, and the resulting amount shall be apportioned to the county. The assessed valuation of taxable tangible property, for purposes of this computation, shall be that most recently used for countywide tax levies as reported to the Controller by the State Board of Equalization. If an incorporation or annexation is legally completed following the base sum computation, the new city's assessed valuation shall be deducted from the county's assessed valuation, the estimate of which may be provided by the State Board of Equalization.

(3) The difference between the base sum for each county and the amount apportioned to the county shall be apportioned to the cities of that county in the proportion that the population of each city bears to the total population of all the cities in the county. Populations used for determining apportionment of money under Section 2107 are to be used for purposes of this section.

(d) The Legislature may amend subdivisions (a) and (c) of this Section, if the funding provided by subdivision (b) is not impaired.

SECTION 6. Section 13985 is added to the Government Code, to read:

13985. (a) The money in the Congestion Relief Transportation

Trust Fund , which is created in the State Treasury by Section 7105 of the Revenue and Taxation Code, or any successor to that fund, may be transferred to the General Fund of the State by the Controller if the aggregate amount of General Fund revenues for the current fiscal year, as projected by the Governor in a report to the Legislature in May of the current fiscal year, is less than the aggregate amount of General Fund revenues for the previous fiscal year, adjusted for the change in the cost of living and the change in population, as specified in the budget submitted by the Governor pursuant to Section 12 of Article IV of the Constitution in the current fiscal year.

(b) The Controller may reduce the total amount of money transferred to the Congestion Relief Transportation Trust Fund by the Controller in any fiscal year if the aggregate amount of General Fund revenues for the current fiscal year, as projected by the Governor in a report to the Legislature in May of the current fiscal year is not projected to increase compared to the previous fiscal year in an amount equal to the amount of money to be transferred to the fund in accordance with this section. Reductions in money transferred to the fund due to operation of this subdivision shall be allocated in proportion to the percent of money in the fund allocated to each account in subdivision (b).

(c) Money in the Congestion Relief Transportation Trust Fund in the State Treasury may be allocated only in accordance with Section 7105 of the Revenue and Taxation Code, this section, and Sections 164.57, 164.58, and 894.5 of the Streets and Highways Code.

(d) In the event that money is transferred from the Congestion Relief Transportation Trust Fund to the General Fund in a fiscal year in which money is allocated by paragraphs (1), (3), (5), (6), and (11) of subdivision (b) of Section 7105 of the Revenue and Taxation Code to a particular project or category of projects for a limited number of years, every project that did not receive an allocation in that fiscal year because of the loan shall receive a replacement allocation for each fiscal year it did not receive an allocation. The replacement allocation shall be made at the end of the period specified in Section 7105 that allocations are made to the particular project or category of projects. The replacement allocation shall be in the same amount that would have been allocated had the loan not been made. Replacement allocations shall be made in as many sequential fiscal years as are needed to compensate for the allocations that were not made during the fiscal years in which loans had been made.

SECTION 7. Section 164.57 is added to the Streets and Highways Code, to read:

164.57. (a) The Transportation Impacts Mitigation Trust Fund

is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, all money in the trust fund is appropriated, without regard to fiscal year, for expenditure in accordance with this section and paragraph (6) of subdivision (b) of Section 7105 of the Revenue and Taxation Code.

(b) Local, state, and federal public agencies and nonprofit organizations may apply for and may receive grants to undertake environmental enhancement and mitigation projects that are directly or indirectly related to the environmental impact of existing transportation facilities; the design, construction, or expansion of new transportation facilities; or the modification of existing transportation facilities. As used in this section, "nonprofit organization" means any nonprofit public benefit corporation formed pursuant to the Nonprofit Corporation Law (Division 2 (commencing with Section 5000) of Title 1 of the Corporations Code), qualified to do business in California, and qualified under Section 501(c)(3) of the United States Internal Revenue Code, and which has among its primary purposes the preservation, protection, or enhancement of land or water resources in their natural, scenic, historical, agricultural, forested, or open-space condition or use or which is certified by a state agency.

(c) Projects eligible for funding include, but are not limited to, all of the following:

(1) Highway landscaping and urban forestry projects (as authorized by Sections 4799.06 through 4799.12 of the Public Resources Code) designed to offset vehicular emissions of carbon dioxide.

(2) Acquisition or enhancement of resource lands to mitigate the loss of, or the detriment to, resource lands lying within the right-of-way acquired for proposed transportation improvements.

(3) Roadside recreational opportunities, including roadside rests, trails (including bicycle trails), trailheads, and parks.

(4) Projects to mitigate, or contribute to the mitigation of, the direct or indirect impacts of proposed transportation facilities or to enhance the environment, where the ability to effectuate the mitigation or enhancement measures is beyond the authority of the lead agency responsible for assessing the environmental impact of the proposed transportation improvement.

(5) Acquisition or enhancement of wildlife corridors and habitat linkages to mitigate the habitat fragmentation impacts of the expansion of transportation facilities.

(6) Projects to protect unique wildlife, recreational, or open space resources from the cumulative impacts of the expansion of transportation facilities.

(7) Acquisition and development of river parkway projects along any river that is crossed by a public street or highway

and any river parkway project with a bikeway or other recreational trails which provide public access to a river. No less than ten percent of the funds spent pursuant to this program shall be spent on this category. Specific projects meeting the specifications of this subparagraph authorized by paragraph (6) of subdivision (b) of Section 7105 of the Revenue and Taxation Code shall be counted toward this requirement.

(8) Acquisition and development of any urban park in an urbanized area affected by population growth or daily commuter traffic resulting from a transportation project.

(9) Acquisition and protection of agricultural lands, grazing lands, or other open space lands constituting the viewshed of a public street or highway.

(d) Grant proposals shall be submitted to the Resources Agency quarterly for evaluation in accordance with procedures and criteria prescribed by the Resources Agency. These procedures and criteria shall not be subject to the review or approval of the Office of Administrative Law or subject to any other requirement of Chapter 3.5(commencing with Section 11340) of Division 3 of Title 2 of the Government Code.

(e) Sixty percent (60%) of the money in the Transportation Impacts Mitigation Trust Fund shall be expended in County Group 2 and forty percent (40%) shall be expended in County Group 1. This calculation shall be made after expenditures from the trust fund for projects listed in paragraph (8) of subdivision (b) of Section 7105 of the Revenue and Taxation Code are made

(f) In order to provide weed abatement, repression of noxious non-native plants, visual amenities for users of roads and highways, prevention of weed fires which can cause road closures and safety hazards, and to prevent dumping on unused land which can result in hazardous material being blown on to the roadways, the Resources Agency shall allocate funds to the Department of Food and Agriculture pursuant to subparagraph (A) of paragraph (6) of subdivision (b) of Section 7105 of the Revenue and Taxation Code for the acquisition of agricultural easements on land within one quarter mile of state highways and county roads for the purpose of keeping agricultural land adjacent and nearby roads and highways in production. These funds may also be used to provide infrastructure necessary to allow these lands to be used for agricultural purposes and for land rents to make agriculture along roads and highways economically viable. Infrastructure can include providing water facilities and purchasing water, with first preference to reclaimed water; facilities for the collection of water runoff and tailwater; pollution control facilities; electricity including solar photovoltaic generation; roadside stands to sell locally grown produce; and informational displays to interpret agriculture for

motorists. The Department of Food and Agriculture shall work with non-profit organizations and resource conservation districts to develop this program in a way that makes it possible for small farmers to participate in the program. For purposes of this subdivision, agriculture includes the cultivation of native plants.

(g) The Department of Transportation shall allow the use of its lands for agricultural purposes unless prevented from doing so due to safety or environmental considerations, or if the lands are needed for transportation purposes within five years.

(h) Funds spent pursuant to this section may be spent in compliance with the requirements of a habitat conservation plan, natural community conservation plan, multiple species conservation plan, or any similar plan if the other requirements of this section are met.

SECTION 8. Section 164.58 is added to the Streets and Highways Code, to read:

164.58.(a) The Transportation Water Quality Account is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, all money in the account is appropriated, without regard to fiscal year, for expenditure in accordance with this section. The account shall be allocated by the State Water Resources Control Board solely for funding capital outlay projects and grants that prevent, reduce, remediate, or mitigate the adverse environmental impacts of motor vehicles and facilities used by motor vehicles on the quality of California's waters and riparian habitats, through the acquisition, protection, restoration, and enhancement of streams, creeks, marshlands, diked lands, ponds, submerged and tidal lands, wetlands, and watersheds, subject to the following criteria and priorities:

(1) The account may be used only for projects and grants that are consistent with the adopted plans of the applicable regional water quality control board, applicable watershed management programs, or other adopted plans that identify goals, objectives, and implementation strategies for achieving compliance with this chapter and related statutes, including, but not limited to, Chapter 6 (commencing with Section 1600) of Division 2 of the Fish and Game Code, Article 4 (commencing with Section 13160) of Chapter 3 of, and Chapter 5.6 (commencing with Section 13390) of, Division 7 of the Water Code, and Division 2 (commencing with Section 2001) of the Public Resources Code.

(2) The account may not be used to support projects or activities that are required as part of any permit, license, or entitlement, other than a permit or license that is required of a project whose purpose is to implement the purposes of this section.

(3) Priority shall be given to those projects and grants that most effectively accomplish the purposes of this section through the long-term protection, restoration, and enhancement of the natural environment.

(4) Projects and grants that are eligible for funding include, but are not limited to, all of the following:

(A) Nonpoint source pollution treatment and pollution reduction projects such as constructed, restored, and enhanced wetlands, marshlands, diked lands, ponds, streams, creeks, vegetated channels, and watersheds.

(B) Hydrologic modifications to improve natural stream functions such as removal of channel barriers and restoration of floodplain and low-flow channels, and to control erosion by restoring abandoned roads to more natural conditions, correcting design deficiencies of existing roads and culverts, and stabilization of stream banks.

(C) Acquisition of riparian buffers, wetlands, and watershed lands to protect, restore, and enhance the functioning of riparian and associated habitats and to protect, restore, and enhance the movement of fish and wildlife within and between those habitats.

(D) Acquisition of land and conservation easements to protect or facilitate the restoration of watersheds and habitats impacted by motor vehicles and motor vehicle facilities.

(E) No more than ten percent (10%) of the money in the account may be spent for research and education to improve scientific and public understanding of the impacts of motor vehicles, facilities used by motor vehicles, and related infrastructure on water quality, habitat and the movement of fish and wildlife within and between those habitats, as well as the most effective projects and management practices for preventing, reducing, remediating, or mitigating those impacts.

(b) Sixty percent (60%) of the money in Transportation Water Quality Account shall be expended in County Group 2 and forty percent (40%) shall be expended in County Group 1. Not less than one third of the funds spent in County Group 2 shall be spent in the watershed of the Santa Ana River by the Santa Ana Water Project Authority. These funds shall be allocated to the Authority by the State Water Resources Control Board.

SECTION 9. Section 164.59 is added to the Streets and Highways Code to read:

146.59. (a) Notwithstanding any other provision of this code or the Water Code, the Department shall use recycled wastewater for all irrigation purposes unless the water agency or water district supplying the water is unable or unwilling to supply recycled wastewater for irrigation purposes, if the use of recycled water meets the requirements of the Department of Health Services

(b) The Department shall use compost supplied by a public agency instead of commercial fertilizer when a public agency is willing to supply the compost at costs that are no more than 25% higher than the cost of commercial fertilizer, if the compost can meet the needs of the Department for fertilizer.

SECTION 10. Section 41202 of the Education Code is amended to read:

41202. The words and phrases set forth in subdivision (b) of Section 8 of Article XVI of the Constitution of the State of California shall have the following meanings:

(a) "Moneys to be applied by the State," as used in subdivision (b) of Section 8 of Article XVI of the California Constitution, means appropriations from the General Fund that are made for allocation to school districts, as defined, or community college districts. An appropriation that is withheld, impounded, or made without provisions for its allocation to school districts or community college districts, shall not be considered to be "moneys to be applied by the State."

(b)(1) "General Fund revenues which may be appropriated pursuant to Article XIII B," as used in paragraph (1) of subdivision (b) of Section 8 of Article XVI, means General Fund revenues that are the proceeds of taxes as defined by subdivision (c) of Section 8 of Article XIII B of the California Constitution, including, for the 1986-87 fiscal year only, any revenues that are determined to be in excess of the appropriations limit established pursuant to Article XIII B for the fiscal year in which they are received. General Fund revenues for a fiscal year to which paragraph (1) of subdivision (b) is being applied shall include, in that computation, only General Fund revenues for that fiscal year that are the proceeds of taxes, as defined in subdivision (c) of Section 8 of Article XIII B of the California Constitution, and shall not include prior fiscal year revenues. Commencing with the 1995-96 fiscal year, and each fiscal year thereafter, "General Fund revenues that are the proceeds of taxes," as defined in subdivision (c) of Section 8 of Article XIII B of the California Constitution, includes any portion of the proceeds of taxes received from the state sales tax that are transferred to the counties pursuant to, and only if, legislation is enacted during the 1995-96 fiscal year the purpose of which is to realign children's programs. The amount of the proceeds of taxes shall be computed for any fiscal year in a manner consistent with the manner in which the amount of the proceeds of taxes was computed by the Department of Finance for purposes of the Governor's Budget for the Budget Act of 1986.

(2) "General Fund revenues which may be appropriated pursuant to Article XIII B," as used in paragraph (1) of subdivision (b) of Section 8 of Article XVI, includes funds in

the Congestion Relief Transportation Trust Fund in the State Treasury, established under Section 7105 of the Revenue and Taxation Code. Notwithstanding any other provision of law, the funds in that fund shall be added to General Fund revenues otherwise considered in making the calculations required under that Section 8.

(c) "General Fund revenues appropriated for school districts," as used in paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means the sum of appropriations made that are for allocation to school districts, as defined in Section 41302.5, regardless of whether those appropriations were made from the General Fund to the Superintendent of Public Instruction, to the Controller, or to any other fund or state agency for the purpose of allocation to school districts. The full amount of any appropriation shall be included in the calculation of the percentage required by paragraph (1) of subdivision (b) of Section 8 of Article XVI, without regard to any unexpended balance of any appropriation. Any reappropriation of funds appropriated in any prior year shall not be included in the sum of appropriations.

(d) "General Fund revenues appropriated for community college districts," as used in paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means the sum of appropriations made that are for allocation to community college districts, regardless of whether those appropriations were made from the General Fund to the Controller, to the Chancellor of the California Community Colleges, or to any other fund or state agency for the purpose of allocation to community college districts. The full amount of any appropriation shall be included in the calculation of the percentage required by paragraph (1) of subdivision (b) of Section 8 of Article XVI, without regard to any unexpended balance of any appropriation. Any reappropriation of funds appropriated in any prior year shall not be included in the sum of appropriations.

(e) "Total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B," as used in paragraph (2) or (3) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means the sum of appropriations made that are for allocation to school districts, as defined in Section 41302.5, and community college districts, regardless of whether those appropriations were made from the General Fund to the Controller, to the Superintendent of Public Instruction, to the Chancellor of the California Community Colleges, or to any other fund or state agency for the purpose of allocation to school districts and community college districts. The full amount of any appropriation shall be included in the calculation of the percentage required by

paragraph (2) or (3) of subdivision (b) of Section 8 of Article XVI, without regard to any unexpended balance of any appropriation. Any reappropriation of funds appropriated in any prior year shall not be included in the sum of appropriations.

(f) "General Fund revenues appropriated for school districts and community college districts, respectively" and "moneys to be applied by the state for the support of school districts and community college districts," as used in Section 8 of Article XVI of the California Constitution, shall include funds appropriated for the Child Care and Development Services Act pursuant to Chapter 2 (commencing with Section 8200) of Part 6 and shall not include any of the following:

(1) Any appropriation that is not made for allocation to a school district, as defined in Section 41302.5, or to a community college district regardless of whether the appropriation is made for any purpose that may be considered to be for the benefit to a school district, as defined in Section 41302.5, or a community college district. This paragraph shall not be construed to exclude any funding appropriated for the Child Care and Development Services Act pursuant to Chapter 2 (commencing with Section 8200) of Part 6.

(2) Any appropriation made to the Teachers' Retirement Fund or to the Public Employees' Retirement Fund except those appropriations for reimbursable state mandates imposed on or before January 1, 1988.

(3) Any appropriation made to service any public debt approved by the voters of this state.

(g) "Allocated local proceeds of taxes," as used in paragraph (2) or (3) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means, for school districts as defined, those local revenues, except revenues identified pursuant to paragraph (5) of subdivision (h) of Section 42238, that are used to offset state aid for school districts in calculations performed pursuant to Sections 2558, 42238, and Chapter 7.2 (commencing with Section 56836) of Part 30.

(h) "Allocated local proceeds of taxes," as used in paragraph (2) or (3) of subdivision (b) of Section 8 of Article XVI of the California Constitution, means, for community college districts, those local revenues that are used to offset state aid for community college districts in calculations performed pursuant to Section 84700. In no event shall the revenues or receipts derived from student fees be considered "allocated local proceeds of taxes."

(i) For the purposes of calculating the 4 percent entitlement pursuant to subdivision (a) of Section 8.5 of Article XVI of the California Constitution, "the total amount required pursuant to Section 8 (b)" shall mean the General Fund aid required for schools pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution, and shall not include allocated

local proceeds of taxes.

(j) The Legislature may amend this section to better achieve its intent, which is to assure that this part does not diminish funding for school districts or community college districts to a level that is below what would be required absent the program authorized by this part.

SECTION 11. Section 41204.2 is added to the Education Code, to read:

41204.2. (a) For the purposes of applying paragraph (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution, in the first fiscal year following the establishment of the Congestion Relief Transportation Trust Fund (hereinafter referred to as the "fund") in the State Treasury, under Section 7105 of the Revenue and Taxation Code, and for each fiscal year thereafter, the Director of Finance shall annually adjust the amount required to ensure that allocations to school districts and community college districts, respectively, shall be not less than that allocated in the prior fiscal year, to reflect the amount of money included in the fund, and to ensure that the proportional net fiscal effect reflects allocation of those revenues to school districts and community college districts consistent with the manner in which the amounts of the proceeds of taxes was computed by the Department of Finance for purposes of the Governor's Budget in the immediately preceding fiscal year.

(b) The Legislature may amend this section to better achieve its intent, which is to assure that this part does not diminish funding for school districts or community college districts to a level that is below what would be required absent the tax credits authorized by this part.

SECTION 12. If any provision of this act or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are severable

SECTION 13. (a) It is the intent of the People of the State of California in approving this act that, should any statute or amendment to the Constitution be approved on November 5, 2002, that could prevent this act from taking effect, the People intend that this act go into effect, regardless of the passage of any such statute or Constitutional Amendment, and regardless of the number of votes received by any measure on the November 5, 2002 ballot.

(b) This act shall take effect notwithstanding any other provision of law.

(c) It is the express intent of the voters that this act shall take effect and become operative at 12:01 a.m. on November 5,

2002.

(d) It is the express intent of the voters that this act shall take effect and become operative even if the Constitution is amended at the November 5, 2002, election to prohibit or restrict the enactment of new taxation.

(e) Notwithstanding any other provision of this section, Section 3 of this act shall take effect on January 1, 2003.

SECTION 14. (a) This act shall be liberally construed to further its purposes, especially with respect to being allowed to take effect.

(b) Any conflict between a provision in this act and any other provision of law in existence prior to the effective date of this act shall be resolved in favor of the provision in this act.

(c) The act shall be implemented in the most expeditious manner. All state and local officials shall implement this act to the fullest extent of their authority.

(d) Any person has standing to enforce any provision of this act.